

# **BUSINESS OPPORTUNITY**

CC-GUIS003-17

*Department of the Interior*

National Park Service  
Pensacola Bay Ferry  
Gulf Islands National Seashore

**A Concession Business Opportunity for  
Passenger Ferry, Food and Beverage, Retail, Shuttle Transportation  
and Other Services at Fort Pickens**

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## INTRODUCTION

The National Park Service ("Service") intends to award a concession contract at Gulf Islands National Seashore ("Park") to provide passenger ferry, food & beverage, retail, bicycle rental, laundry and shuttle transportation services in the Fort Pickens Area of the Park. This Prospectus describes in general terms the existing business operations and the future business opportunities for the facilities and services required by the Service. Offerors must review all sections of this Prospectus and specifically, the terms and conditions of the Draft Concession Contract, CC-GUIS003-17 ("Draft Contract"), including its exhibits, to determine the full scope of a future 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 (Public Law 105-391), as implemented by regulations in 36 C.F.R. Part 51. The term "Concessioner" as used in the Prospectus refers to the entity that will be the Concessioner under the Draft Contract. The term "Existing Concessioner" refers to Coastal Concessions LLC, the Concessioner under the current campground store Concession Contract CC-GUIS002-13 ("Existing Contract"). The ferry and shuttle services are new services and have no previous contract. The Existing Contract and 36 C.F.R. Part 51 are included as appendices to this Prospectus.

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 description of the terms contained in this Prospectus and the Draft Contract, the Draft Contract will control.

## 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 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 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 has as its overall mission the preservation and public enjoyment of significant aspects of the nation's natural and cultural heritage. To learn more about the National Park Service, visit [www.nps.gov](http://www.nps.gov). This site includes information about the Service's mission, policies, and individual park units.



## **FORT PICKENS, GULF ISLANDS NATIONAL SEASHORE AND DESCRIPTION OF EXISTING OPERATING LOCATIONS**

The Fort Pickens Area of Gulf Islands National Seashore consists of the westernmost seven miles of Santa Rosa Island and encompasses some 1,700 acres of land and the waters surrounding the Island. The Fort Pickens Historic District covers the westernmost three miles of the Fort Pickens Area. The fort itself is located near the west end, guarding the entrance to Pensacola Bay. The ferry landing is near the fort, at the historic site of the docks that served the fort.

Fort Pickens is a popular destination for leisure visitors due to its numerous historical sites and recreational activities. Beaches, fishing, bicycling, hiking, and surfing are all easily accessible within the Fort Pickens Area. Visitors are also able to camp overnight at Fort Pickens, where over 200 campsites are available featuring paved parking pads, water, and electricity. These added amenities make Fort Pickens one of the few locations in the national park system that can accommodate utility hookups for visitors with recreational vehicles. Additionally, the nearby Campground Store provides groceries, snacks, coin-operated self-service laundry service, and beach equipment rentals that provide a comfortable guest experience for overnight visitors. The white sand beaches are the most popular visitor destination within the Fort Pickens Area among both vacationers and locals alike. Langdon Beach is the most developed beach within the Fort Pickens Area, with lifeguards, restrooms, and picnic shelters available for guest use. There are several other designated access points to beaches for Gulf-side swimming, including two between Langdon Beach and the entrance station, one at Battery 234 / Battery Cooper, and two reachable by boardwalks from the campground. Other beach access locations are located on the bayside, with several near Fort Pickens and one reachable by footpath from the Battery Worth parking lot. The beaches near the Fort are particularly popular for walking and shelling.

The primary historic feature within the Fort Pickens Historic District is the old fort. Fort Pickens was a key Union fortification during the Civil War and was the site of the largest land battle in Florida during the war. Today the Visitor center is housed here, with the museum and auditorium located just a quarter mile away within the Fort grounds. Fort Pickens is also the site of several early Spanish and British fortifications that played a key role in a number of small naval and land military actions during the many Spanish/British/French wars. The Fort grounds also feature several coastal defense batteries from World War I and World War II, such as Battery 234 and Battery Cooper, both of which have historic guns on display for visitor viewing. The fortified bunkers at Battery Worth and Battery Langdon, though outside the immediate Fort grounds, are also accessible to visitors interested in Fort Pickens's military history.

Additional information on Gulf Islands National Seashore can be found at: <http://www.nps.gov/guis>

### **Pensacola Area Tourism**

Pensacola is located within Escambia County on the Florida panhandle, along the shores of the Gulf of Mexico. With over 52 miles of white sand beaches, the Pensacola Bay Area is a popular vacation destination for travellers from the south-eastern region and greater United States. Tourists are drawn to the area for its fine white sand beaches, warm gulf waters, and historical sites. According to a 2015 survey conducted by the regional tourism board, Travel Pensacola, over 90% of visitors to Pensacola visit the beach at least once during their trip. In 2013, TripAdvisor designated Gulf Islands National Seashore as the nation's 3<sup>rd</sup> best beach.

Within Escambia County, the cities of Pensacola and Pensacola Beach offer many popular restaurants, shops, courtyard parks, live music, farmer's markets, and other visitor attractions. The well-developed tourism industry in the area offers visitors a variety of activities including bike, kayak, and paddleboard rentals, dolphin sighting trips, and snorkel tours. Off-shore fishing and sailing tours are also popular in the area, with several businesses offering a variety of tour options, from multiday sport fishing excursions to sunset cruises. For those looking to explore the vibrant natural ecosystems in the area, Gulf Islands National Seashore and other state and regional parks offer well-kept natural trails, allowing visitors a chance to view birds and other wildlife in their natural habitat.



The National Naval Aviation Museum located in Pensacola is another major tourist attraction in the area, drawing over half a million visitors each year. This admission free museum offers free tours, a café, an IMAX theatre, and serves as the home base to the Blue Angels Navy Flight Demonstration Squadron.

The Pensacola Bay Area experiences its highest tourist volumes in the warmer months from March to October, with peaks during spring break and summer vacation season. Average hotel occupancy in Pensacola Beach is generally below 50% during the winter months from November through February, and approaches 90% in the summer. Overall, demand for lodging has increased in Escambia County from 1.4 million room nights occupied in 2011 to 1.7 million in 2014, an average growth rate of 6.4% per year. The tourism growth in Pensacola area suggests future increases in Park visitation and demand for the required services under the Draft Contract.

### Park Visitation Information

Exhibit 1 presents historical annual visitation to the Florida section of Gulf Islands National Seashore, including Fort Pickens, Fort Barrancas, and Perdido Key, from 2004 to 2014.

#### Exhibit 1. Annual Recreation Visitation to Florida section of Gulf Islands National Seashore 2004-2014

	Visitors	% Change
2004	3,438,610	-17.7%
2005	995,053	-71.1%
2006	1,128,103	13.4%
2007	1,073,071	-4.9%
2008	1,171,609	9.2%
2009	3,218,204	174.7%
2010	3,409,956	6.0%
2011	4,429,097	29.9%
2012	3,950,970	-10.8%
2013	3,942,467	-0.2%
2014	3,585,657	-9.1%
2015	3,091,688	-13.8%
<b>Average</b>	<b>2,7586,207</b>	<b>8.8%</b>

Source: National Park Service

Annual visitation has fluctuated significantly over the past ten years due to extreme weather events that have resulted in periodic closures of the Fort Pickens Road. In September 2004, Hurricane Ivan severely damaged Fort Pickens Road, preventing access to the Fort Pickens Area. The Fort Pickens Road closure from fall 2004 to spring 2009 explains the large drop in visitation to the Florida District displayed above in Exhibit 1. After the Fort Pickens Road reopened in 2009, visitation began to recover to pre-2004 levels of nearly four million visitors per year. It is likely that there was latent visitor impact caused by the Deepwater Horizon oil spill and cleanup activities. Additionally, the park experienced some counting equipment malfunctions in 2014, which affected total reported visitation

### Seasonality of Visitation

Exhibit 2 presents average monthly recreation visitation to the Park over the period of 2010 to 2013.

#### Exhibit 2. Average Monthly Recreation Visitation to Fort Pickens 2010-2013

	Visitors	Share
January	48,535	3.9%



February	39,440	3.2%
March	83,475	6.7%
April	124,137	10.0%
May	134,298	10.8%
June	160,096	12.9%
July	155,473	12.5%
August	122,281	9.8%
September	96,190	7.7%
October	92,626	7.5%
November	100,133	8.1%
December	85,750	6.9%
<b>Total</b>	<b>1,242,432</b>	<b>100.0%</b>

Source: National Park Service

Exhibit 2 indicates that visitation to Fort Pickens follows a seasonal pattern similar to other visitor attractions in the Pensacola Area and Escambia County, with peak tourism and park visitation occurring between the months of April and August.

### Park Visitor Demographics

Exhibit 3 displays the top ten visitor state origins for the Pensacola area from 2013-2015.

**Exhibit 3. Visitor Origin by State, 2013-2015**

Rank	State	Percent of Total Visitors
1	Alabama	14.3%
2	Florida	8.7%
3	Louisiana	8.1%
4	Texas	7.7%
5	Georgia	7.6%
6	Tennessee	5.3%
7	Mississippi	4.4%
8	Michigan	2.9%
9	Missouri	2.8%
10	Ohio	2.7%

Source: Visit Pensacola

Pensacola is a particularly popular destination among travelers from the southeastern region of the United States, with Florida and its neighboring states, Alabama and Georgia, accounting for over 30% of visitors. An additional 25% traveled from other southeastern states such as Louisiana, Mississippi, Tennessee, and Texas. 54% of travel parties to Pensacola included individuals within the age bracket of 35 to 49 years of age, 35% of travel parties included individuals 25 to 34 years old, and 33% of travel parties included individuals 50 to 64 years old, reflecting an even distribution of adult visitors of all ages. The Pensacola area is also a popular destination for families, with over 26% of leisure visitors travelling with children under the age of 18 in the summer of 2015, for example. Pensacola is also a highly popular destination for visitors on Spring Break during the months of March and April.

### CONCESSION OPPORTUNITY





The concession opportunity consists of passenger ferry service between Pensacola, Pensacola Beach, and Fort Pickens as well as additional services in Fort Pickens including food & beverage, retail, bicycle rentals, self-service laundry and shuttle transportation.

**Draft Contract Term**

The term of the Draft Contract will be for ten (10) years, with an estimated effective date of March 1, 2017 for the passenger ferry and shuttle transportation services. However, the Concessioner is expected to begin ferry service (including onboard food & beverage service) until the start of the first operating season in late spring/early summer 2017. The food & beverage, retail, bicycle rental, and laundry services provided at the Campground Store, Mine Storeroom and Mine Loading Buildings will be integrated into the operations of the ferry Concessioner on March 15, 2018, when the Existing Contract expires. The effective date of the Draft Contract is subject to change prior to award if determined necessary by the Service. In such event, the Service will change the expiration date of the Draft Contract correspondingly to maintain a term length of ten (10) years.

**Required and Authorized Services**

Exhibit 4 describes the Required and Authorized Services as specified in the Draft Contract

<b>Exhibit 4. Draft Contract CC-GUIS003-17 - Required and Authorized Services</b>	
<b>Required Services</b>	<b>Location</b>
<b>Passenger Ferry</b>	City of Pensacola, Pensacola Beach, and Fort Pickens
<b>Land Shuttle Transportation</b>	Fort Pickens Historic District
<b>Food &amp; Beverage</b>	Onboard ferry, Mine Storeroom Building and Campground Store (beginning March 15, 2018)
<b>Retail</b>	Mine Storeroom Building and Campground Store (beginning March 15, 2018)
<b>Bicycle Rental</b>	Mine Loading Building and Campground Store (beginning March 15, 2018)
<b>Self-Service Coin-Operated Laundry</b>	Campground Restrooms (beginning March 15, 2018)
<b>Authorized Services</b>	<b>Location</b>
<b>Additional Ferry Service</b>	Ferry service between City of Pensacola, Pensacola Beach, and Fort Pickens; Ferry service, among the various embarkation sites during special events; Weekdays during shoulder seasons, off season, and extended hours beyond the required schedule.
<b>Kayak &amp; Stand-Up Paddleboard Rentals</b>	Locations approved by the Service (beginning March 15, 2018)
<b>Regular &amp; Power-assist Bicycle &amp; Beach Chair/Umbrella Rentals</b>	Locations approved by the Service (beginning March 15,2018)
<b>Mobile Food Truck Service</b>	Locations approved by the Service (beginning March 15,2018)

Source: National Park Service

**Overview of Concession Services and Locations**

*PASSENGER FERRY OPERATIONS*

The Service has acquired and will assign to the Concessioner two newly constructed, 150-passenger catamaran vessels to provide the Required and Authorized Services under the Draft Contract. The Service will continue to own these vessels throughout the term of the Draft Contract and under subsequent concession contracts. The Concessioner may not utilize the two Service-owned vessels to provide services other than the Required and Authorized services specified within the Draft Contract.

Please see Appendix M- Vessel Specifications for specific information regarding the two 150-passenger vessels assigned to the Concessioner by the Service. If the Concessioner proposes to utilize a third backup vessel to provide additional ferry system capacity or backup service when one of the primary vessels is inoperable due to unexpected maintenance, then the Concessioner must use vessels that conform to the minimum vessel requirements described in detail in Section 5) B)(3) "Minimum Backup Vessel Requirements" of the Operating Plan, Exhibit A to the Draft Contract (Part IV of this Prospectus).

The Draft Contract requires ferry service between these three locations:

- City of Pensacola (Downtown at intersection of South Jefferson Street and Commendancia Street)
- Pensacola Beach (Quietwater Pier)
- Fort Pickens (Ferry dock near the Mine Storeroom Building)

The Draft Contract requires that ferry service operate in two loops (one clockwise and one counter-clockwise) around Pensacola Bay, allowing passengers to embark or disembark at any of the three locations listed above. Under this route system, one ferry will travel from Pensacola to Fort Pickens to Pensacola Beach and return to Pensacola, while the other ferry will do the reverse, traveling from Pensacola to Pensacola Beach to Fort Pickens and return to Pensacola. The Pensacola embarkation site will be the homeport for the operation where the ferry vessels will be berthed overnight.

**Figure 1. Map of Pensacola Bay and Required Ferry Route**



The Draft Contract requires that ferry service be provided on a seasonal basis, operating from March 15 through May 14 and August 16 through the end of October. During the peak season (May 15 to August 15), the Concessioner is required to operate daily (7-days per week). During the shoulder seasons (March 15 to May 14 and August 15 to the end of October), the Concessioner is required to operate on weekends only. This is the minimum schedule and operating season; the Concessioner may, at its discretion and subject to Service approval, operate a longer season.

For each day the ferry service operates, it is required to complete three loops in each direction (clockwise and counter-clockwise), or a total of six loops per day. This schedule provides six departures and six arrivals per day at Pensacola, Fort Pickens, and Pensacola Beach. The Concessioner may request changes or modifications to the minimum operating schedule and route system, subject to approval of the Service. See section 4)A) of the Operating Plan, Exhibit A to the Draft Contract (Part IV of this Prospectus), for more information regarding the minimum requirements of the ferry schedule and route under the Draft Contract.

The ferry experience provides an exciting interpretive opportunity for visitors to view various historical sights, natural features, and attractions in the Pensacola Bay Area. The ferry travel time from Pensacola to Fort Pickens is estimated to be 33 minutes, while the travel times from Fort Pickens to Pensacola Beach will be approximately 44 minutes and 40 minutes, respectively, assuming an average travel speed of 12 knots. The travel time to complete one ferry loop between Pensacola, Fort Pickens, Pensacola Beach and back to Pensacola would be approximately three hours, assuming an average speed of 12 knots, and including passenger loading/unloading times.

During the ferry trip, visitors will receive onboard interpretive narration, including live and/or pre-recorded messaging, relating to the history of Fort Pickens and the natural and cultural history of the Area and Pensacola Bay. The Service will provide interpretive staff (either Service staff or Service-approved volunteers) onboard vessels at minimum during the peak summer season. The Concessioner will operate a pre-recorded audio/video interpretive program onboard the vessels during all other operating times. The pre-recorded audio/video program will be developed and approved by Service interpretive staff. The Service will work with the Concessioner to develop all other interpretive programming elements offered onboard the ferry vessels to ensure visitors are provided with a high quality onboard interpretive experience. For more details on specific Service and Concessioner responsibilities regarding interpretive services, see section 4)G) of the Operating Plan, Exhibit A to the Draft Contract (Part IV of this Prospectus).

Exhibit 5 displays the initial required minimum operating schedule for the two-loop ferry service with departure times from each of the three locations served.

<b>Exhibit 5. Required Minimum Ferry Operating Schedule (Two Boats)</b>	
<b>BOAT 1</b>	<b>BOAT 2</b>
<b>Pensacola to Fort Pickens</b>	<b>Pensacola to Pensacola Beach</b>
9:00 AM	9:00 AM
12:00 Noon	12:00 Noon
3:00 PM	3:00 PM
<b>Fort Pickens to Pensacola Beach</b>	<b>Pensacola Beach to Fort Pickens</b>
10:00 AM	10:00 AM
1:00 PM	1:00 PM
4:00 PM	4:00 PM
<b>Pensacola Beach to Pensacola</b>	<b>Fort Pickens to Pensacola</b>
11:00 AM	11:00 AM
2:00 PM	2:00 PM
5:00 PM	5:00 PM

The schedule provides six arrivals and six departures per day at Pensacola, Fort Pickens, and Pensacola Beach. The Concessioner may propose modifications to the minimum required operating schedule subject to Service

review and approval. The Concessioner may extend service beyond the required minimum schedule, with greater service during the specified operating season and additional service during the off-season period, as approved by the Service.

#### *NAMING REQUIREMENTS FOR FERRY OPERATION*

The Concessioner must utilize the name "Pensacola Bay Cruises" to describe the ferry services provided under the Draft Contract. The Service owns this name and the Concessioner is expressly prohibited from copyrighting or otherwise seeking to control this name (see Exhibit H. Intellectual Property Licensed Marks for a list of names that are the intellectual property of the Service). The Concessioner must use this name in all advertising and marketing materials as well as in all signage/informational material identifying the ferry service as "Pensacola Bay Cruises". The Service may alter this naming requirement at any time and the Concessioner agrees to use the name(s) specified by the Service.

Additionally, the concessioner will be provided with a logo and with branding standards. These are the property of the Service and the concessioner is expressly prohibited from copyrighting, trademarking or otherwise seeking to control this materials. NPS may allow the use of the logo, marks and other identifying materials associated with the ferry service by other parties, including on merchandise.

#### *SHUTTLE TRANSPORTATION*

The Draft Contract requires the Concessioner to operate a landside shuttle service within the Fort Pickens Historic District. The shuttle service will enhance the visitor experience by allowing visitors arriving via the ferry to access visitor points of interest and amenities throughout the Historic District. The Service will acquire six open-air (yet covered) electric tram vehicles that will be assigned to the Concessioner under the Draft Contract. The land shuttles would operate on the same days and during the same hours as the passenger ferry, allowing coordination between the two services. Each shuttle consists of one motorized unit and one trailer with a total capacity of 27 passengers. In addition to the tram vehicles, the Service will assign the Concessioner use of a structure within the Fort Pickens Historic District for shuttle storage and will develop basic utilities to support the shuttle operations. Therefore, the Concessioner is not required to make capital investment in either shuttles or support facilities. The Concessioner will be required to pay for electricity associated with shuttle recharging and electrical usage will be metered.

The purchase of a ferry ticket will allow visitors to ride the shuttle free of charge without paying additional fees for this service. The Draft Contract specifies that visitors who do not take the ferry will also be authorized to ride the shuttle.

Figure 2 depicts a concept drawing of the shuttle pickup location at the Mine Storeroom Building near the ferry docks.

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#### **Figure 2. Concept Drawing for Fort Pickens Ferry Landing Area – Perspective from the Ferry Docks**

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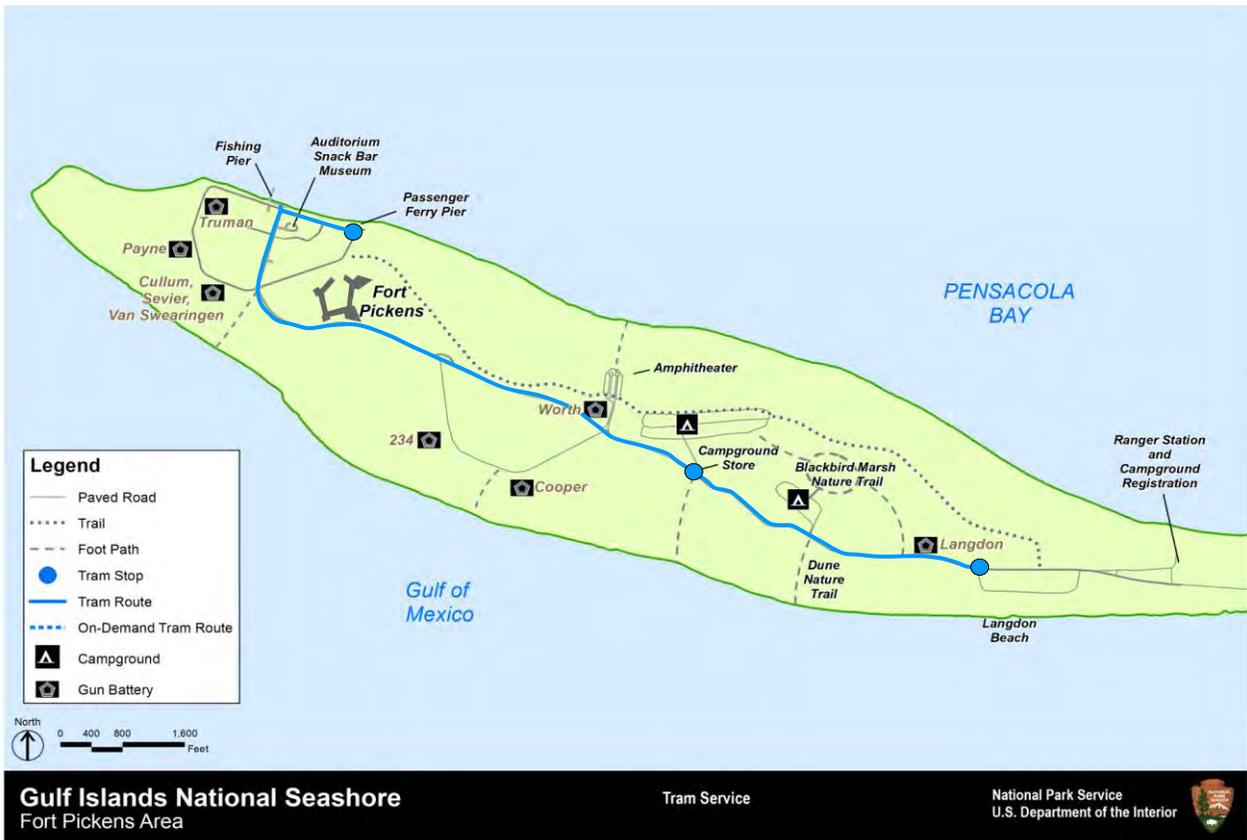


Figure 3 displays the required shuttle route within the Fort Pickens Historic District.

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**Figure 3. Required Shuttle Route**

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The route will provide visitors with access from the ferry docks in the Fort Pickens area, with stops at the Campground Store, and Langdon Beach. The shuttle service is expected to operate from roughly 10:00 AM to 5:00 PM during the days the ferry operates, including weekends in the shoulder seasons and daily during the summer season. At least two shuttles must be in operation during all hours within this period and provide a service frequency, at a minimum, of approximately every 15 minutes.

*CURRENT CONCESSION CONTRACT*

Coastal Concessions, the Existing Concessioner that operates the Campground Store (presently named the Fort Pickens Outpost), provides general grocery and retail services as well limited food & beverage, bicycle and beach chair/umbrella rentals, and self-service coin-operated laundry service. The Existing Concessioner primarily provides these services at the Campground Store location adjacent to the main Service-operated campground in the Park, yet also provides limited snack bar, sundry sales, fishing supplies/bait and limited retail sales at the Firehouse Snack Bar building located near the Fort Pickens Fishing Pier, roughly 300 yards west of the Mine Storeroom Building. The Campground Store Concession Contract (GUIS002-13) is a five-year contract with an Effective Date of March 15, 2013 and is set to expire on March 14, 2018. The Existing Concessioner’s current franchise fee is 10.8% of gross revenues. Upon the expiration of this contract in March 2018, the Draft Contract will incorporate the retail, grocery, food & beverage, bicycle rental, and self-service coin-operated laundry services currently located at the Campground Store.

*FOOD & BEVERAGE, RETAIL, LAUNDRY, AND BICYCLE RENTAL SERVICES*

The Draft Contract requires the Concessioner to provide limited food & beverage, retail, self-service laundry, and bicycle rental services beginning March 15, 2018, following the expiration of the Existing Contract (GUIS002-13) and in order to avoid competition with the Existing Concessioner. These services will be housed within the Campground Store and the Mine Storeroom Building locations (excluding laundry service).

The Concessioner will be required to provide food & beverage service onboard the ferry vessels beginning on the Effective Date of the Draft Contract.

Renovation of the Mine Storeroom Building is expected to be completed prior to start of the Draft Contract. The Campground Store will undergo renovations following the expiration of the Existing Contract in March 2018. As part of the Campground Store renovations, the Service may house the campground registration function within the Campground Store, which will reduce the existing concession sales area within that building by approximately 50%. The Service anticipates completing the Campground Store renovations by fall 2018. In addition, the Service plans to relocate the self-service coin-operated laundry services from the Campground Store (current location) to restrooms located within the Service-operated campground.

**Food & Beverage Service.** The required food & beverage services within the Park will consist of snack bar-type food service located at the newly renovated Mine Storeroom Building and the Campground Store. Potential menu items for this type of service could include grilled items such as Paninis, hamburgers, bagels, made to order and/or pre-made sandwiches, wraps, salads, yogurts, pastries, prepackaged snacks, fruit cups, other grab-and-go items, coffee/tea, bottled water and juices. A more limited food & beverage offering at the Campground Store may be appropriate compared to the offerings at the Mine Storeroom Building (e.g., pre-made grab-and-go items, packaged snacks, etc.). In addition to landside food & beverage operations, the Draft Contract requires the Concessioner to provide food & beverage service onboard the vessels. The onboard food & beverage service should offer different, and more limited menu options than the landside food & beverage operations, including simple prepackaged snack items, pastries, and various hot and cold beverages. The food & beverage services provided by the Concessioner must conform to the NPS Healthy and Sustainable Food Service Guidelines and Standards (see Operating Plan for additional information on those standards).

The Concessioner is authorized to provide snack bar-type food & beverage service utilizing mobile food trucks within the Park and at locations approved by the Service. Mobile food trucks could provide convenient grilled and grab-and-go items at popular locations within the Park, including various beaches, especially during peak visitation periods. As another authorized service, the Concessioner may sell alcoholic beverages onboard the ferry.

The Concessioner is responsible for installing and maintaining all equipment necessary to provide the required food & beverage services (e.g., microwaves, convection ovens, coolers/refrigerators, freezers, display shelving, etc.). Signage and displays will be preapproved by the Service. The Concessioner also assumes all associated utility expenses generated by food & beverage operations.

**Retail and Laundry Services.** The required retail service includes sales of groceries, sundries and convenience items, gifts and souvenirs, and other merchandise approved by the Service. Sales of sundry/convenience items, gifts and souvenirs will be required at both the Campground Store and Mine Storeroom locations, while grocery sales will only be required at the Campground Store, primarily to serve visitors staying overnight at the Park campground. In addition, the Concessioner will be responsible for providing at least 6 and up to 10 sets of self-service coin-operated laundry machines within restrooms in campground loops A, C and potentially B/D. Each set will include a commercial grade, coin-operated washing machine and dryer, for a total of at least 6 and up to 10 washing machines and at least 6 and up to 10 dryers. Specifically, the following number of washers and dryers are required at each location:

- Campground Loop A Restroom: 4 washers & 4 dryers
- Campground Loop C Restroom: 2 washers & 2 dryers
- Campground Loop B/D Restroom: 4 washers & 4 dryers

Investment in the 4 washers and 4 dryers in Campground Loop B/D will not be an initial requirement and only represent a future possibility. These facilities' development is dependent on future funding and building



efforts and are currently uncertain. The earliest B/D loop facilities will be in place is early 2019. All other washers and dryers to begin operation in 2018. The Concessioner will be responsible for all utility costs associated with laundry service.

**Bicycle Rental Service.** Beginning in 2018, the Concessioner is permitted to store and rent bicycles within the Mine Loading Building, which is directly adjacent to the Mine Storeroom Building. The Mine Loading Building assignment is temporary and may be taken back by the Service for exhibit space in the future, in which case the Service will provide the Concessioner with a new facility adjacent to the Mine Storeroom Building. Bicycle rental operations will also be located at the Campground Store. At minimum, the Concessioner must provide a total of 20 bicycles for rent. The Concessioner is authorized to provide kayak, paddleboard, and beach chair/umbrella rentals at locations approved by the Service.

Exhibit 7 summarizes the minimum required operating schedule for the Mine Storeroom Building services. At a minimum, the Mine Storeroom Building will operate on the same days and for similar hours as the ferry service. The Concessioner is authorized to provide additional service from the Mine Storeroom building beyond the times the ferry is operating as approved by the Service.

**Exhibit 7. Mine Storeroom Building Minimum Required Operating Schedule**

Period	Hours	Days
March 15 – May 15	9:00 AM – 5:00 PM	Saturday & Sunday
May 16 – August 15	9:00 AM – 5:00 PM	Monday thru Sunday
August 16 – October 31	9:00 AM – 5:00 PM	Saturday & Sunday
November 1 – March 14	Closed	Not Operating

Exhibit 8 summarizes the minimum required operating schedule for the Campground Store operations.

**Exhibit 8. Campground Store Minimum Required Operating Schedule**

Period	Hours	Days
November 1 - February 28	9:00 AM – 5:00 PM	Friday thru Sunday
March 1 - April 30	8:00 AM – 6:00 PM	Monday thru Sunday
May 1 – Labor Day	8:00 AM – 8:00 PM	Monday thru Sunday
Labor Day- October 31st	8:00 AM – 6:00 PM	Monday thru Sunday

The Service recognizes that as a new concession enterprise, adjustments may need to be made to the minimum required operating schedules for ferry, food & beverage, retail, laundry, bicycle rental and shuttle transportation services required and authorized under the Draft Contract. Therefore, the Concessioner may propose changes to the minimum required operating schedules specified here and within the Draft Contract (Operating Plan) to better serve market demand for these services. All proposed changes to the specified minimum required operating schedules for all services required and authorized under the Draft Contract are subject to Service review and approval prior to implementing any changes to service schedules.

#### *FERRY EMBARKATION SITES IN PENSACOLA & PENSACOLA BEACH*

The Draft Contract requires that the Concessioner provide ferry service from designated embarkation locations in downtown Pensacola and Pensacola Beach. In addition to these locations, the Service will assign the Concessioner use of the Service-owned docks at Fort Pickens, including an outdoor passenger queuing area, a ferry ticketing area within the Mine Storeroom Building, and a storage area within the Mine Loading Building. The Service has preliminary plans to construct, at a future date, an additional building near the Mine Storeroom Building that could be assigned to the Concessioner and would provide public restrooms, storage areas for rental equipment, and a picnic shelter.



The Service has entered into General Agreements with the City of Pensacola (Appendix I) and Escambia County (Appendix G) that secure the use of ferry embarkation sites in downtown Pensacola and Pensacola Beach that the Concessioner will utilize to provide the required and authorized services under the Draft Contract. The General Agreements secure use of the embarkation sites over the 10-year term of the Draft Contract.

The Concessioner is required to enter into a formal lease agreement with the City of Pensacola for use of the Pensacola embarkation facilities immediately following award of the Draft Contract. The lease agreement must be completed, signed and in effect prior to the effective date of the contract and before the Concessioner can provide the required and authorized services specified in the Draft Contract.

As specified in the General Agreement, the City of Pensacola will waive rental/use fees for the first five (5) years of the Draft Contract, unless ridership meets or exceeds 70,000 passengers per year for two consecutive years, in which case the City reserves the right to reconsider the rent/use fee waiver and enter into early rental/use rate negotiations resulting in rental/use fees charged to the Concessioner earlier than the five year rental/use fee waiver period. The Concessioner is responsible for negotiating the rental/use fees with the City of Pensacola for the continued use of the Pensacola embarkation facilities following the five year rental/use fee waiver period (or earlier if ridership exceeds 70,000 for two consecutive years).

### **Description of terms with City of Pensacola**

The conditions of the lease will be negotiated directly between the City and the Concessioner, except as otherwise provided in the Operating Plan.

Typical commercial lease elements include rent, Ad Valorem taxes, and state sales tax on the lease. Other expected specific details include any and all USCG ferry operational requirements, and Port of Pensacola rules and regulations in compliance with current Port Tariff. (See Appendix J –City of Pensacola Standard Operating Procedures Effective Date: April 2016)

Typical lease insurance and indemnification requirements for this contemplated use of City of Pensacola facilities include the following:

1. On the date that the concessioner begins operations from City facilities, it shall have, and thereafter maintain, the types of insurance listed below, in the amounts indicated..
2. The term City, as is used in this section, is defined to mean the City of Pensacola, itself, any subsidiaries or affiliates, elected and appointed officials, employees, volunteers, representatives and agents.

### **COVERAGE**

Insurance shall be issued by an insurer whose business reputation, financial stability and claims payment reputation is satisfactory to the City. Unless otherwise agreed, the amounts, form and type of insurance shall conform to the following minimum requirements:

- **Workers Compensation** for obligations legally required. Including Employers Liability Coverage of at least 500,000 each person-accident, 500,000 each person – disease, 500,000 aggregate.
- Coverage for **the Longshore and Harbor Workers Compensation Act (LHWCA) and Maritime (Jones) Act** exposures.
- **Commercial General Liability** coverage written on an occurrence basis, including bodily injury and property damage for premises, operations, products and completed operations, independent contractors, contractual, docking facility, passenger liability and dock liability. Coverage to include loading and unloading of passengers, guests and others from or onto any vessel, boat or ship. Minimum limits of \$1,000,000 per occurrence and in the aggregate. Fire Legal Liability with



minimum limits of \$100,000 per occurrence must be provided. City of Pensacola listed as an additional insured.

- **Liquor Liability** with minimum limits of \$1,000,000 each common cause and in the aggregate. City of Pensacola listed as an additional insured.
- **Business Auto Liability** including coverage for bodily injury and property damage arising out of the operation, maintenance or use of owned, non-owned and hired automobiles. Minimum limits of \$500,000 CSL.
- **Protection and Indemnity Coverage** including coverage for crew, pollution, collision, dock liability, strikes, riots and civil commotion and passenger liability. Minimum limits of \$5,000,000. City of Pensacola listed as an additional insured.
- **Umbrella Liability Insurance** written on an occurrence basis shall not be more restrictive than the underlying insurance policy coverages.

#### **CERTIFICATES OF INSURANCE**

Required insurance shall be documented in the Certificates of Insurance. The City shall be notified at least thirty (30) days in advance of cancellation, non-renewal or adverse change or restriction in coverage. If required by the City, the Concessioner shall furnish copies of the Concessioner's insurance policies, forms, endorsements, jackets and other items forming a part of, or relating to such policies. Certificates shall be on the "Certificate of Insurance" form equal to, as determined by the City, an ACORD 25. The Concessioner shall replace any canceled, adversely changed, restricted or non-renewed policies with new policies acceptable to the City and shall file with the City, Certificates of Insurance under the new policies prior to the effective date of such cancellation, adverse change or restriction. If any policy is not timely replaced, in a manner acceptable to the City, the Concessioner shall, upon instructions of the City, cease all operations under the Contract until directed by the City in writing, to resume operations.

#### **INSURANCE OF THE CONCESSIONER PRIMARY**

The Concessioner required coverage shall be considered primary, and all other insurance shall be considered as excess, over and above the Concessioner's coverage. The Concessioner's policies of coverage will be considered primary as relates to all provisions of the Lease.

#### **LOSS CONTROL AND SAFETY**

The Concessioner shall retain control over its employees, agents, servants, and subcontractors, as well as control over its invitees, and its activities on and about the subject premises and the manner in which such activities shall be undertaken and to that end, the Concessioner shall not be deemed to be an agent of the City. Precaution shall be exercised at all times by the Concessioner for the protection of all persons, including employees and property. The Concessioner shall make special effort to detect hazards and shall take prompt action where loss control/safety measures should reasonably be expected.

#### **HOLD HARMLESS**

The Concessioner shall indemnify and hold harmless the City of Pensacola, its officers and employees, from any and all liabilities, damages, losses, and costs, including, but not limited to, reasonable attorney's fees, caused in whole or in part by the negligence, recklessness or intentional wrongful misconduct of the Concessioner and persons employed or utilized by the Concessioner in the performance of this Contract. The Concessioner shall not indemnify for that portion of any loss or damages proximately caused by the negligent act or omission of the City. The Concessioner's obligation shall not be limited by, or in any way to, any insurance coverage or by any provision in or exclusion or omission from any policy of insurance.

#### **PAY ON BEHALF OF THE CITY**



The Concessioner agrees to pay on behalf of the City, as well as provide a legal defense for the City, both of which will be done only if and when requested by the City, for all claims as described in the Hold Harmless paragraph. Such payment on the behalf of the City shall be in addition to any and all other legal remedies available to the City and shall not be considered to be the City’s exclusive remedy.

**UTILITIES:**

Typical lease requirements for facility use with the City of Pensacola requires all utilities including but not limited to power, water, garbage collection, internet and cable, and phone service , to be established and paid directly by the tenant.

**MAINTENANCE:**

Minor facility interior, exterior, and dock custodial maintenance is required to maintain the City of Pensacola property.

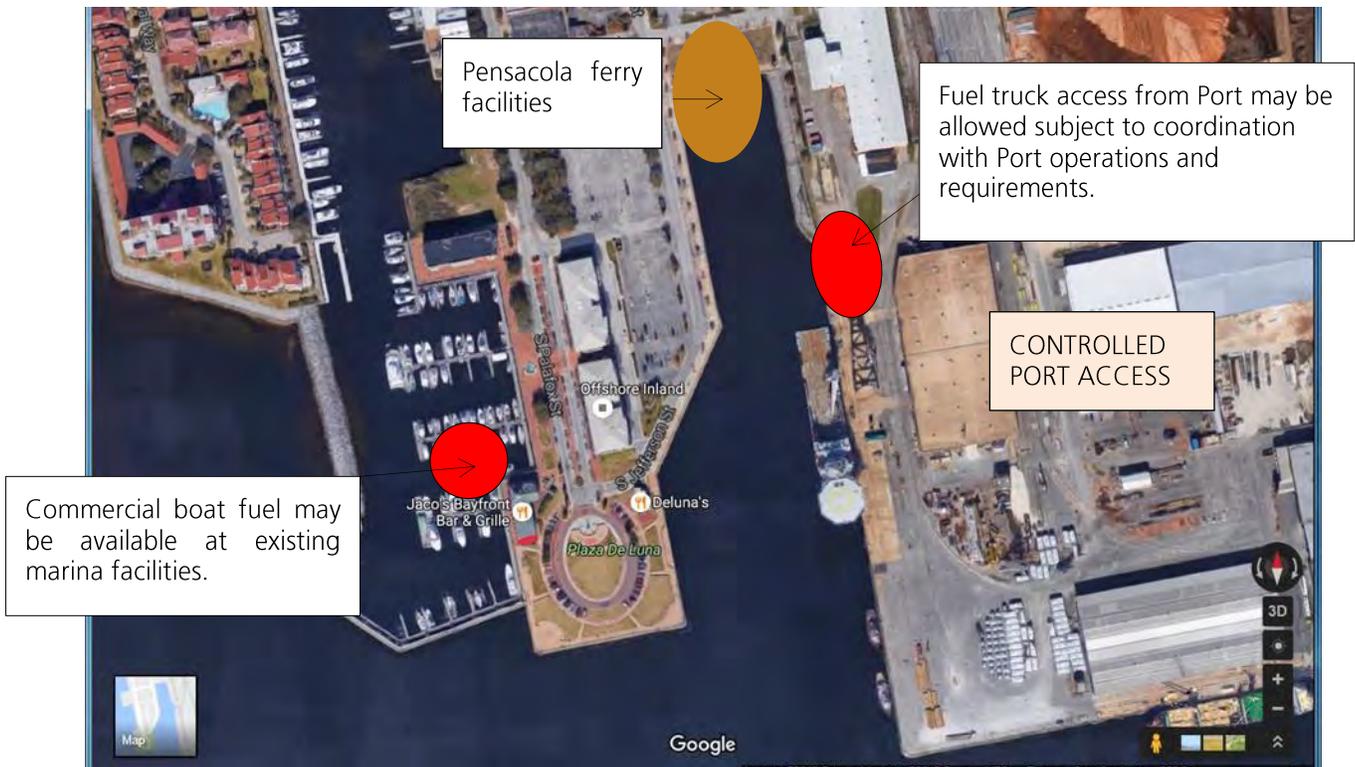
**RATES GUIDANCE:**

ITEM	EXPECTED RANGE	RATE RANGE	DESCRIPTION / NOTES
<b>RENT</b>	Lease start date to last day Year 5	\$0.00	<ul style="list-style-type: none"> <li>Rent waived 5 years subject to terms specified in General Agreement between National Park Service and the City of Pensacola.</li> </ul>
	Year 6 to end of lease period.	Base rate \$95,000 annually OR up to 7% of annual gross receipt of ticket sales - whichever is higher	
<b>AD VALOREM TAXES</b>	Lease start date to last day Year 5	Millage rate determined by Escambia County Tax Collectors and Property Appraisers Office. Contact directly for additional information.	<ul style="list-style-type: none"> <li>The millage rate will be applied based on value of property during waived rent period.</li> <li>Reference 2015 Tax Year: (1.8%)                             <ul style="list-style-type: none"> <li>County @ .0066165</li> <li>Public Schools @ .007113</li> <li>Pensacola @.0042895</li> <li>Water Management @ .0000378</li> <li>M.S. T. U. Library @ .0003590</li> </ul> </li> </ul>
	Year 6 to end of lease period	Millage rate determined by Escambia County Tax Collectors and Property Appraisers Office. Contact directly for additional information.	<ul style="list-style-type: none"> <li>The millage rate will be applied based on for value of property.</li> <li>Reference 2015 Tax Year: (1.8%)                             <ul style="list-style-type: none"> <li>County @ .0066165</li> <li>Public Schools @ .007113</li> <li>Pensacola @.0042895</li> </ul> </li> </ul>

			Water Management @ .0000378 M.S. T. U. Library @ .0003590
<b>STATE SALES TAX ON THE LEASE</b>	Lease start date to last day Year 5	\$0.00	<ul style="list-style-type: none"> <li>\$0.00 due to rent waived 5 years subject to terms specified in General Agreement between National Park service and the City of Pensacola.</li> </ul>
	Year 6 to end of lease period	7.5% (reference 2016 rates) (Tax Rate x Rent)	<ul style="list-style-type: none"> <li>Sales tax calculated against rent rate. Tax payment starts the year following property occupation.</li> </ul>

VESSEL FUELING:

The Concessioner will be responsible for vessel fueling. Potential vessel fueling locations:



*The Concessioner will be responsible for vessel fueling. As the Pensacola Bay Cruises docks are located in Commendancia slip directly adjacent to the Port of Pensacola, fueling options are available through commercial vendors at the port. Use of commercial fueling services would need to be coordinated with Port Operations Staff to avoid any operational conflicts for the port and vessel operator. Port Operations Staff and Port Tariff 5A governs all operations at Port of Pensacola and should be consulted prior to considering operations at the Port Berths.*

The General Agreement with Escambia County for the use of the embarkation facilities in Pensacola Beach indicates that the County will not charge the Concessioner any rent/use fees and will not assign the Concessioner any maintenance responsibilities for the assigned facilities. Escambia County will require the Concessioner to carry insurance as outlined in Appendix H-Escambia Insurance Required Marine (1).

For more information, please see the Appendix G and I- General Agreements for Pensacola & Pensacola Beach Embarkation Sites that includes copies of the General Agreements with the City of Pensacola and Escambia County governing the use of each site.

The Pensacola embarkation site is at the Port of Pensacola Commendencia Slip (North Basin), located one block east of Palafox Street at the intersection of South Jefferson Street and Commendencia Street. The City will fund and complete all necessary improvements to enable the Concessioner to provide ferry service from this site. The City plans to develop three ferry slips, boarding docks, breakwater (if deemed necessary by the City), signage, utility connections and a support building adjacent to the docks which will house administrative and ferry ticketing functions as well as restrooms. Ferry parking is also being identified and developed by the City that will be assigned to the Concessioner and made available for visitors taking the ferry.

Figure 4 shows the planned ferry landing improvements and passenger-loading configuration at the Pensacola embarkation site.

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**Figure 4. Ferry Landing Improvements and Passenger-Loading Concept  
at Pensacola Embarkation Site**

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The City anticipates completion of the waterside improvements (docks) prior to the start of concession operations in late spring/early summer 2017. However, the City expects that the landside support facilities - including onsite ticketing, restrooms, office and storage space - will be under construction when the Concessioner begins operations and anticipates completion of these facilities in later in 2017. Therefore, the Concessioner must provide and utilize temporary landside facilities until the City completes construction of the landside support facilities. Specifically, the Concessioner must provide a temporary/modular onsite structure housing critical ferry ticketing and administrative/management functions. The ticketing facility must have a minimum of three ticket windows each with a computerized point of sale system. The temporary ticketing/administrative facilities must be easily installed and removed upon completion of the permanent ticketing facilities. In addition, the Concessioner is responsible for securing and utilizing temporary off-site office, storage, and other space (as needed) while the City completes the landside support facilities at the

Pensacola embarkation site. The Concessioner should direct visitors to the public restrooms located approximately 300 yards south at Plaza de Luna while the permanent restroom facilities are being constructed onsite.

The Pensacola embarkation site will serve as the primary hub for the ferry service and will be the overnight berthing location for the ferry vessels. The three slips developed at the Pensacola embarkation site will be for the exclusive use of the Concessioner, allowing for berthing of the two Service-owned vessels as well as a third back-up vessel. However, the Concessioner may not use the two slips that will berth the Service-owned 150-passenger ferry vessels for any other purpose than to provide the required and authorized services under the Draft Contract. Uses and rental fees charged for the third slip for services other than the Required and Authorized Services specified in the Draft Contract must be negotiated separately with the City of Pensacola. The Concessioner will work with the City of Pensacola to identify the appropriate location and procedures for refueling the ferry vessels.

The Pensacola Beach ferry embarkation site is at the Pensacola Beach Boardwalk, where there is a public boat dock owned by Escambia County that is located on Quietwater Beach. A dock extension and landing slip is currently being designed and will be built prior to contract execution for exclusive use by the Concessioner to provide the required and authorized ferry services under the Draft Contract. The dock connects to the Pensacola Beach Boardwalk, one of several commercial developments in the center of Pensacola Beach. Parking is available onsite and across the street at Casino Beach. The Pensacola Beach Boardwalk is served by a peak-season evening trolley service and an Escambia County Area Transit (ECAT) route that serves Pensacola. Little additional landside development is required to support the ferry service embarkation site adjacent to the Pensacola Beach Boardwalk since it is already an active and popular tourist destination with developed amenities/infrastructure. Waterside improvements will consist of extending the existing dock and adding railing to the pier. Landside amenities will include existing benches, a small ticketing kiosk and proposed shade structures. The County will fund and complete all necessary improvements to enable the Concessioner to provide ferry service from this site.

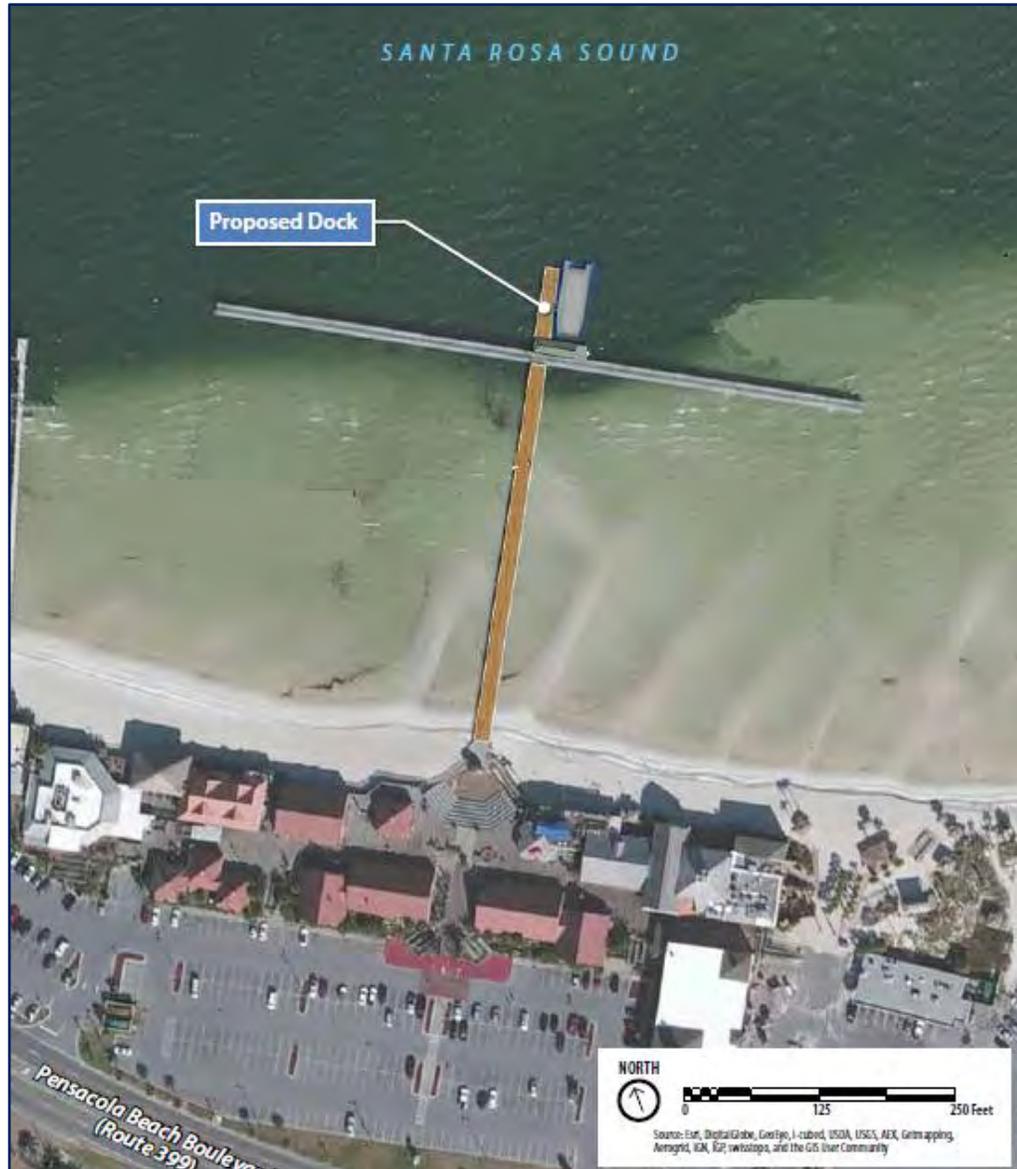
Figure 5 shows the planned ferry landing improvements and passenger-loading configuration at the Pensacola Beach embarkation site.

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**Figure 5. Ferry Landing Improvements and Passenger-Loading Concept  
at Pensacola Beach Embarkation Site**

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### Future Entrance Fee

The Service charges an entrance fee for visitors entering Fort Pickens via the Fort Pickens Road. The possibility exists that in the future the Service may institute an entrance fee for visitors accessing Fort Pickens via ferry. However, the Service will enter into a separate agreement for the collection of this fee outside the terms of the Draft Contract.

### Future Ferry Ridership, Rates, Revenues and Expense Projections

#### *RIDERSHIP AND REVENUES*

The Service developed ferry ridership projections based on the findings of previous studies and surveys, as well as inputs provided by Service staff, local lodging operators, and visitor survey and lodging data provided by Visit Pensacola, and other sources. The ridership estimates also considered ferry prices, marketing potentials, alternative transportation modes, transportation/access cost differences, and the proximity/access

to alternative nearby attractions and beaches. Offerors should note that the ridership projections described in Exhibit 9 were primarily based on use of the ferry system by leisure visitors to the Pensacola area. Therefore, additional ridership generation is possible among local residents and non-leisure visitors to the area. In addition, while not considered in the ridership projections, the Naval Air Station (NAS) is going through a planning process that may allow for a future ferry service connections at that location. Access provided by ECAT (Escambia City Area Transit) could also link NAS to the planned ferry embarkation location in Pensacola. These links could potentially enhance future ferry ridership among NAS students and others. The Service does not guarantee these projections will materialize and assumes no liability for the accuracy of the projections presented. Offerors must compile and present their own financial projections based on independent assumptions and industry knowledge.

Exhibit 9 presents the estimated annual ridership and the required ferry rates for the first year of the Draft Contract (2017).

<b>Exhibit 9. Projected Ferry Ridership and Maximum Ferry Rates, 2017</b>	
<b>Annual Passenger Ferry Ridership</b>	<b>57,000 - 63,000 passengers</b>
<b>Regular Day Rates (per passenger):</b>	
Adult (16-61)	\$19.00
Senior (62+) & Active Military	\$17.00
Child (3-15)	\$12.00
Child Younger than 3	Free
<b>3-Day Ferry Pass Rate (per passenger):</b>	
Adult (16-61)	\$38.00
Senior (62+) & Active Military	\$34.00
Child (3-15)	\$24.00
Child Younger than 3	Free
<b>Family Day Rates:</b>	
Family of Four (2 children + 2 adults)	\$56.00
Each Additional Child in Family Group	\$6.00

Source: National Park Service

Offerors should note that the purchase of a single regular day ticket will allow the same passenger to ride the ferry as many times and to as many locations as they like. For example, an adult who purchases a regular day ticket for \$19.00 may ride the ferry all day to any and all of the three locations served as they please. The Concessioner will be responsible for issuing appropriate ticketing protocols (such as non-transferrable wristbands or badges) that will identify paying passengers and permit these passengers to ride the ferry for a given day. See Section 4) E)(4)(e) of the Operating Plan for more detail on ticketing and passenger tracking.

The 3-day ferry pass will allow visitors to purchase three trips on three separate days during a given season for the price of two trips. The family day rate allows a family of four to ride the ferry at a discount, with additional children beyond the second child priced at 50% of the regular child price. Section 4)B)(3) of the Operating Plan requires the Concessioner to develop a school group and large group discount-pricing plan subject to review and approval by the Service during the first year of operations (2017). During the term of the Draft Contract, the Concessioner may request changes to the pricing structure and individual rates specified here and within the Draft Contact subject to Service approval.

Exhibit 10 presents the projected departmental and total revenue in 2018, the second year of the Draft Contract when all Required Services will be in operation.

<b>Exhibit 10. Projected Annual Departmental &amp; Total Revenue, 2018</b>	
<b>Department</b>	<b>2018 Revenue</b>

Ferry	\$1,043,000 - \$1,152,000
Food & Beverage	\$109,000 - \$134,000
Retail & Self-service Laundry	\$155,000 - \$189,000
Bicycle Rental	\$13,000 - \$15,000
<b>TOTAL REVENUE</b>	<b>\$1,320,000 - \$1,490,000</b>

*Source: National Park Service*

#### *DEPARTMENTAL AND INDIRECT EXPENSES*

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

#### *MINIMUM WAGE*

The minimum wage for federal contractors established by Executive Order 13658 and 29 CFR Part 10 will apply to the Draft Contract and is included in the analysis of the minimum franchise fee. In estimating the minimum wage requirements of the Draft Contract and their impact on the minimum franchise fee, the Service estimated the Consumer Price Index for All Urban and Clerical Workers, U.S. City Average ("CPI-W") will increase annually by 2.4% over the term of the Draft Contract. As stated in 29 CFR Part 10, the actual minimum wage for federal contractors during the term of the draft contract will be evaluated each year by the United States Department of Labor based on the annual change in the CPI-W.



## INVESTMENT ANALYSIS

The Service estimates that the total required initial investment to be made by the Concessioner will be \$465,000 in 2017, the first year of the Draft Contract. This initial capital investment will include the purchase of personal property – including vessel equipment, food & beverage equipment, office equipment, washers and dryers, merchandise/supplies, etc. - expenditures on start-up activities, and the creation of a working capital reserve.

The Service will provide the Concessioner with two 150-passenger catamaran vessels and six 27-passenger land shuttles. The vessels and shuttles, and all improvements to the vessels and shuttles, will remain the property of the Service for the duration and upon expiration of the Draft Contract.

The Service will make all initial capital improvements to the Concession Facilities within the Park assigned to the Concessioner during the Draft Contract.

The City of Pensacola and Escambia County will make all necessary capital improvements to the ferry embarkation facilities in Pensacola and Pensacola Beach.

Exhibit 11 summarizes the Concessioner's estimated total initial capital investment.

<b>Exhibit 11. Estimated Initial Investment</b>	
	<b>Estimated Amount (2017 Dollars)</b>
Personal Property (excludes assigned vessels)	\$244,000
Inventory	\$97,000
Start-Up Costs	\$62,000
Working Capital	\$62,000
<b>TOTAL</b>	<b>\$465,000</b>

*Source: National Park Service*

### PERSONAL PROPERTY AND INVENTORY

The Personal Property investment includes all required vessel safety equipment, gangways at all three boarding locations, all food & beverage equipment both onboard the vessels and at the Campground Store and Mine Storeroom Building (refrigerators/coolers, cooking equipment, microwaves, dispensers, etc.), tables/chairs for eating areas, 20 rental bicycles, retail displays, point of sale equipment, laundry equipment (10 washing machines and 10 dryers), inventories and personal property used for general concession administration and support, such as office furniture, fixtures, and equipment and vehicles. See Appendix L-Mine Storeroom Information for additional information regarding the location/placement and type of food & beverage equipment required at the Mine Storeroom Building.

### 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 to staff in addition to normal wages), crew certification, test/trial ferry runs, systems implementation, legal support services, and marketing and advertising.

In addition to any necessary investment in start-up activities, the Concessioner will need to invest a certain amount of cash in the operation to cover that portion of the operation's expenses that the Concessioner will likely incur in advance of receiving offsetting revenues and cash flow.

Offerors should note that the Service conducted a "Name Your Ferry" contest for 4<sup>th</sup> graders in the Pensacola area to develop names for the two Service-owned ferry vessels. The Service requires the Concessioner to



provide complimentary tickets to students (and up to 3 family members per student) of the 4<sup>th</sup> grade classes that came up with the winning ferry names for a single cruise to the Park prior to the start of the regular ferry schedule.

#### *LEASEHOLD SURRENDER INTEREST*

There is no Leasehold Surrender Interest (LSI) in the Existing Contract.

#### *DEFERRED MAINTENANCE*

The Concessioner is not required to make any investments in curing Deferred Maintenance.

#### *CONCESSION FACILITIES*

The Service will assign the Concessioner routine preventative maintenance responsibilities for the following Service-owned real property assets assigned to the Concessioner under the Draft Contract:

- Fort Pickens Dock
- Mine Storeroom Building
- Mine Loading Building
- Campground Store
- Shuttle Storage Area
- Laundry Facilities in Campground Restrooms in Loops, A, C, B/D

#### *REPAIR AND MAINTENANCE RESERVE*

The Draft Contract has no Repair and Maintenance Reserve for real property assets.

#### *MAINTENANCE OF VESSELS & SHUTTLE VEHICLES*

The Concessioner will be responsible for repairing and maintaining the two Service-owned vessels and all Service-owned shuttle vehicles assigned to the Concessioner. Maintenance responsibilities for the vessels include, but are not limited to performing all systems/engine maintenance (including routine engine maintenance as well as engine overhauls) periodic engine rebuilds, periodic vessel haul-outs, bottom cleaning and repainting, maintenance of other onboard, equipment/systems, cleaning, other general maintenance and component replacements as necessary during the term of the Draft Contract. Maintenance responsibilities for shuttles include but are not limited to battery maintenance, component replacement (oil/air filters, periodic replacement of batteries and tires), servicing of mechanical/electrical systems, cleaning and general cosmetic maintenance as necessary during the term of the contact.

#### *MAINTENANCE OF LANDSIDE FACILITIES*

The concessioner will be responsible for repairing and maintaining all park assigned facilities. Facility maintenance will include, but not be limited to, grounds maintenance, daily cleaning and basic system maintenance but not major component renewal or other capital improvements.

There will be additional costs associated with the building(s), grounds, dock(s), breakwater, parking and signage under the lease agreement with the City of Pensacola that are not included in this section. (See *FERRY EMBARKATION SITES IN PENSACOLA & PENSACOLA BEACH* above)



*FRANCHISE FEES*

Offerors must agree to pay the minimum franchise fee specified in Principal Selection Factor 5 of the Proposal Package (Part III of this Prospectus). The minimum franchise fee acceptable to the Service is:

- **One and two-tenths (1.2%)** of annual gross receipts up to and including \$1,500,000, and
- 
- **Five percent (5.0%)** of annual gross receipts greater than \$1,500,000 and up to and including \$2,000,000, and
- **Ten percent (10.0%)** of annual gross receipts greater than \$2,000,000.

Offerors are allowed to offer a franchise fee greater than those specified



## EXISTING CONCESSION CONTRACT

The following sections describe the historical operations and departmental revenues for the past three years under the Existing Contract.

### EXISTING CONTRACT

Fort Pickens Outpost, the Existing Concessioner that operates the Fort Pickens concession contract, provides grocery and retail services as well as food & beverage service. The Existing Concessioner also offers bicycle, beach chair and umbrella equipment rentals and coin-operated self-service laundry. The Existing Concessioner primarily provides these services at the Campground Store location adjacent to the main Service-operated campground in the Park. The Existing Concessioner also provides limited snack bar, sundry sales, fishing supplies/bait and limited retail sales at the "Firehouse Snack Bar" building located near the Fort Pickens Fishing Pier, roughly 300 yards west of the Mine Storeroom Building.

Exhibit 12 lists the Required and Authorized visitor services under the Existing Contract.

<b>Exhibit 12. Existing Contract CC-GUIS002-13 - Required and Authorized Services</b>	
<b>Required Services</b>	<b>Detail</b>
<b>Retail</b>	General merchandise, supplies, souvenirs, and sundries; coin-operated self-service laundry
<b>Food and Beverage</b>	Limited food and beverage including beer and wine
<b>Equipment Rental</b>	Bicycle and beach chair and umbrella rentals
<b>Authorized Services</b>	<b>Detail</b>
<b>Water Sport Equipment Rental</b>	Kayak and stand-up paddleboard rental

*Source: National Park Service*

### HISTORICAL REVENUES

Exhibit 13 presents historical departmental and total revenues subject to franchise fee from the concession operations under the Existing Contract from 2013 to 2015, including the franchise fee paid in each year.

<b>Exhibit 13. Historical Gross Revenue by Department and Franchise Fees</b>			
<b>Department</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Groceries</b>	\$152,525	\$129,762	\$139,935
<b>Packaged Liquor</b>	\$17,339	\$26,414	\$28,170
<b>Souvenirs/Gifts</b>	\$15,508	\$16,405	\$28,646
<b>Food &amp; Beverages</b>	\$12,937	\$19,036	\$35,341
<b>Equipment &amp; Bike Rentals</b>	\$5,696	\$4,409	\$3,233
<b>Total Revenue</b>	<b>\$204,005</b>	<b>\$196,026</b>	<b>\$235,325</b>
<b>Total Franchise Fee</b>	\$22,032	\$21,171	\$28,327

*Source: National Park Service*



## MARKET AREA OVERVIEW

### Regional Population and Socioeconomic Characteristics

Exhibit 14 summarizes 2010 population and projected population growth over the 2014 to 2030 period for Escambia County (where the Park is located) and the counties in the surrounding area, as well as for Florida and the U.S. as a whole.

**Exhibit 14. County, Regional and State Population 2010-2014 and Projections through 2030**

County	2010	2014	CAGR (2010-14)	2020	2030	CAGR (2014-30)
Escambia	297,619	303,907	0.5%	310,465	318,550	0.3%
Santa Rosa	151,372	159,785	1.4%	178,297	205,334	1.4%
Okaloosa	180,822	190,666	1.3%	200,631	213,951	0.6%
Walton	55,043	59,793	2.1%	69,414	85,021	2.0%
Baldwin (AL)	182,265	200,111	2.4%	225,564	264,992	1.6%
<b>Florida</b>	<b>18,801,332</b>	<b>19,507,369</b>	<b>0.9%</b>	<b>21,236,667</b>	<b>23,872,566</b>	<b>1.2%</b>
<b>U.S.</b>	<b>308,758,105</b>	<b>318,857,056</b>	<b>0.8%</b>	<b>334,503,000</b>	<b>359,402,000</b>	<b>0.7%</b>

Source: U.S. Census, Florida Office of Economic and Demographic Research

The population of Escambia County had the slowest growth of the five-county area between 2010 and 2014, growing at a rate of 0.5%, lower than both the state and national average. The populations in the counties surrounding Escambia are growing more rapidly, with population growth rates ranging from 1.3% in Okaloosa County to 2.4% in Baldwin County.

### Regional Market Competition

While there are no other ferry operations serving Fort Pickens or operating in Pensacola Bay, a number of boat excursion operators provide similar tours in the area.

The following three tour descriptions are representative of the current boat tour options in the Pensacola area.

Jolly Sailing has a fleet of three boats and offers several types of water activities. Based out of Pensacola Beach Marina, Jolly Sailing offers paddle boarding, snorkeling, sailing, and dolphin cruises. Prices range from a two-hour scenic bay tour for \$45 per person to four-hour private sailing trips for up to six people for \$425. Customers are able to add on a beach stop, paddle boarding, or snorkeling to their bay tour cruise for an added fee from \$10 to \$30 per person.

Chase-N-Fins is a dolphin tour company based out of Pensacola Beach, and is rated the most popular boat tour on Trip Advisor in Pensacola. Chase-n-Fins' 50 foot long boat has a capacity of 49 people and offers two-hour cruises three times daily at \$25 per adult. Their schedule during off-peak season is variable and less frequent like most other boat tour operators in the area.

Condor Sailing Adventures offers small group sailing cruises out of downtown Pensacola. The 40-foot racing trimaran can accommodate six people, and trips are offered four times each day. The excursion around the bay lasts approximately two hours and costs \$65 per person.

Although not a commercial enterprise, probably the greatest competition to the concession ferry operation is the fact that travelers with their own vehicle can also drive to Pensacola Beach and Fort Pickens from Pensacola (over the Pensacola Bay Bridge and the Bob Sikes Bridge - a toll bridge). However, these four lane



bridges connecting Pensacola to Gulf Breeze and Santa Rosa Island often experience severe congestion during peak travel times, particularly during the summer months. The shortage of parking in Pensacola Beach during the peak season is a major issue, with visitors having to spend significant amounts time to locate parking, if they can find parking at all. In 2017, a bridge replacement project will begin for the Pensacola Bay Bridge. Once completed, the bridge will provide three lanes in both directions and a fourth emergency pull-off lane will be developed. The Service reports that the bridge replacement project is expected to take approximately three years and construction is anticipated to negatively affect traffic congestion during this period. The additional traffic congestion may benefit the new ferry service, as taking the ferry may be a relatively more attractive transportation option than dealing with traffic delays.

During peak travel times, bumper-to-bumper traffic can occur on these bridges all the way into Pensacola Beach and take up to an hour to travel from Pensacola to Pensacola Beach. During the peak season, traffic can back up at the Fort Pickens entrance station for up to 45 minutes. Furthermore, reduced posted speed along Fort Pickens Road contributes to impeding traffic flow within the Park. In the Fort Pickens Historic District, roadway congestion and traffic flow is further impacted by vehicles trying to find parking, as parking demand often exceeds capacity, especially on weekends. The current Park entrance fee per vehicle is \$15.00.

In addition, the Fort Pickens Road is periodically closed due to storm and weather events. These road closures occur between 6 and 12 times per year, with closures lasting between 4 hours to more than 2 weeks. The road closures may benefit the new ferry service as the ferry will be the only means by which visitors can access the Park during such closures.

These transportation congestion issues including bridge traffic, limited parking and vehicle congestion in Pensacola Beach, traffic at the Park entrance station, vehicle congestion and parking limitations within the Fort Pickens Historic District, and periodic closure of the Fort Pickens Road may make the ferry an attractive alternative transportation option.

## **PARK MANAGEMENT DOCUMENTS**

The Service has a General Management Plan (“GMP”) to provide management direction for resource protection and visitor use at Gulf Islands National Seashore. The Service also has a Foundation Document. Please visit the Park’s website at <http://www.nps.gov/guis/index.htm> for more information.

## **PREFERRED OFFEROR DETERMINATION**



The Service has determined no "Preferred Offeror" for the Draft Contract exists pursuant to 36 C.F.R. Part 51. This solicitation for commercial services is fully competitive.

### **SITE VISIT**

The Service will host a site visit on the date listed on the inside front cover of this Prospectus. The site visit provides interested parties an overview of the concession operation, along with a tour of the Concession Facilities associated with the Draft Contract. If you plan to attend the site visit and would like more information, please contact **Missy Smothers** at the following contact information:

**Attn: Missy Smothers**  
**Business Manager**  
**Gulf Islands National Seashore**  
**1801 Gulf Breeze Parkway**  
**Gulf Breeze, FL 32563-5000**  
[Missy\\_Smothers@nps.gov](mailto:Missy_Smothers@nps.gov)  
**(850) 934-2611**

Please RSVP at least one week in advance of the site visit. The Service will provide further information and additional directions by return email message to the organizations identified primary contact.

