

# **BUSINESS OPPORTUNITY**

## **GUIDED TOURS OF HISTORIC BUILDINGS WITHIN KENNECOTT MINES NATIONAL HISTORIC LANDMARK**

**Wrangell-St. Elias National Park and Preserve**

**Alaska Region – National Park Service**

## 1. Introduction

### 1.1. Foreword

The National Park Service (“Service”) intends to award a concession contract in Wrangell-St. Elias National Park & Preserve, Kennecott Mines National Historic Landmark, for guided tours of historic buildings. Offerors are responsible for reviewing all sections of this Prospectus and, specifically, the terms and conditions of the Draft Concession Contract WRST-018-13. (“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 (P.L. 105-391), as implemented by the Service in Title 36 of the Code of Federal Regulations (C.F.R.) Part 51. The term “Concessioner” as used in this Prospectus refers to the entity that will be the Concessioner under the Draft Contract. The term “Existing Concessioner” refers to the Existing Concessioner under the existing concession contract (“Existing Contract”).

In the event of any inconsistency between the terms of this Prospectus and 36 C.F.R. Part 51, the latter will prevail. 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 prevail.

### 1.2 The National Park Service and Its Mission

In 1916, President Woodrow Wilson approved legislation creating the Service within the Department of the Interior. That legislation 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. (16 U.S.C. 1)*

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

*...preserved and managed for the benefit and inspiration of all the people of the United States... (16 U.S.C. 1a-1)*

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 information on individual park units.

### 1.3 Wrangell-St. Elias National Park & Preserve

The Alaska National Interest Lands Conservation Act (ANILCA) established Wrangell-St. Elias National Park and Preserve (Wrangell-St. Elias) in 1980. It is the largest park unit managed by the Service, encompassing nearly 13.2 million acres (20,587 square miles) in south-central Alaska (an area bigger than Maryland, Delaware and Connecticut combined). The land area of

Wrangell-St. Elias represents nearly one-third of the total land area managed by the National Park Service.

In addition to being a part of the National Park System, the United Nations recognized Wrangell-St. Elias as part of a 24 million acre UNESCO World Heritage Site which includes parts of nearby Glacier Bay National Park (Alaska), Kluane National Park (Canada), and Tatshenshini – Alsek Provincial Wilderness Park (Canada). Nearly 10 million acres within the park are designated and managed as a wilderness, making this the largest wilderness area within the National Park System.

Per ANILCA, the Wrangell-St. Elias is managed for the following purpose, among others:

*To maintain unimpaired the scenic beauty and quality of high mountain peaks, foothills, glacial systems, lakes, and streams, valley, and coastal landscapes in their natural state; to protect habitat for, and populations of, fish and wildlife including but not limited to caribou, brown/grizzly bears, Dall Sheep, marine mammals, and to provide continued opportunities, including reasonable access for mountain climbing, mountaineering, and other wilderness recreational activities. ...*

#### 1.4 Kennecott Mines National Historic Landmark

Listed on the National Register of Historic Places in 1978 and designated as a National Historic Landmark in 1986, Kennecott is considered the best remaining example of early 20th Century copper mining.

In 1988, Friends of Kennecott, a diverse, locally based non-profit organization worked to conduct emergency stabilization of important structures such as the Concentration Mill. In 1998 NPS acquired many of the significant buildings and lands within the historic mining town of Kennecott.

The mill town is an extraordinary relic from America's past. The impressive structures and artifacts that remain represent an ambitious time of exploration, discovery, and technological innovation. They tell stories of westward expansion, World War I politics and economy, the lives of men, women, and children who lived there, and the rise of a multinational corporation.

## 2.0 Preferred Operators and Preferred Offeror Determinations

There are 2 types of preferences applicable to this prospectus, 1) ANILCA Section 1307 Preferred Operators, and 2) Existing Concessioner statutory right of preference. The rights of ANILCA preferred operators take precedence over the Existing Concessioner's statutory right of preference (36 CFR 13.83(c)). The two preferences are described below:

1) ANILCA Section 1307 - provides preferences for preferred operators, which are defined as Native Corporations determined to be most directly affected by the establishment of Wrangell-St. Elias National Park and Preserve, or local residents (see Proposal Instructions for definition of local resident).

2) National Park Service Concessions Improvement Act (P.L. 105-391) - the Existing Concessioner has operated successfully and satisfactorily during the Existing Contract, and may be a competitor for the Draft Contract. As a satisfactory operator with annual gross

receipts of less than \$500,000, the Existing Concessioner has a statutory right of preference to the award of a new Draft Contract as provided for in PL 105-391 and in 36 CFR Part 51.

All Offerors should thoroughly read the Proposal Instructions for more information about these preferences. Regardless of any potential preference status, responsive proposals must be received by the time and date listed on the inside cover of this prospectus in order to be considered for the Draft Contract.

### 3.0 Concession Opportunity

#### 3.1 Kennecott Mines National Historic Landmark

The NHL lies in the heart of Wrangell-St. Elias National Park and Preserve, and is approximately 5 miles from the community of McCarthy.

The Kennecott/McCarthy area is both a staging area for wilderness and backcountry experiences, and a final destination for many visitors. Most visitors access the Kennecott/McCarthy area via the state highway system. The last leg of the trip is the McCarthy Road (Route 10) from Chitina; sixty seven miles of unpaved road. The road ends at the Kennecott River, and visitors use a walking bridge to cross the river to the historic town of McCarthy. Privately owned, regularly operated shuttle service transports visitors the five miles from McCarthy to the NHL. Many visitors also arrive by air using the air taxi services based at the McCarthy airstrip. The airstrip is an improved gravel airstrip maintained by the State of Alaska.

#### 3.2 Existing Concession Operations

In 2002 a concession contract was awarded to provide guided tours of the Concentration Mill and Power Plant, with the ability to add other buildings to the tour. The business operations are based in a privately owned building in Kennecott. The tour price is \$25 for adults and \$12.50 for children ages 12 and under.

The historical gross receipts and franchise fee information for the current contract are shown below:

	Gross Receipts	Franchise Fee
2009	\$ 65,547	\$ 1,966
2010	\$ 85,440	\$ 2,563
2011	\$97,019	\$ 2,911

Although the NPS provides some financial information, offerors are responsible for producing their own prospectus financial analysis and relying on their own assumptions.

The existing concession operation provides tours of the Concentration Mill and Leaching Plant. As of July 16, 2012, the National Park Service closed the Concentration Mill in order to perform

necessary stabilization work on that structure. The Concentration Mill is expected to be closed for at least two years and possibly longer as project work continues and/or funding is available.

### 3.3 Future Concession Operation

Unlike the existing concession contract, the Draft Contract focuses on the National Historic Landmark and specifically requires tour entry into more buildings, with authorized entry into additional buildings. Thus, while the Concentration Mill was historically the primary focus of the tour, this Draft Contract requires a broader tour of the NHL, with the Concentration Mill, when available for entry, being one of many tour stops.

The guided tour operation in this prospectus provides an opportunity for visitors to learn and understand the significance of the Kennecott Mines National Historic Landmark. With multiple structures still in place, Kennecott holds many stories related to human perseverance, adaptability, ingenuity and determination. The draft contract will provide visitors an opportunity to tour the West Bunkhouse, Leaching Plant, Power Plant, East Bunkhouse, Machine Shop, and Mill Building. These buildings are otherwise not open to the public. These buildings may at times be closed to guided tours due to stabilization efforts. The West Bunkhouse is currently closed. It is expected to be available for tours in 2014.

### 3.4 Counter Space

Counter space will be available in the General Store if requested by the Concessioner. The counter space may be moved to a different building within the NHL based on park operational needs. Concessioner activities in the General Store building will be limited to selling NHL tour tickets, meeting customers and organizing for scheduled NHL tours. All tour signage must be approved by the Superintendent.

### 3.5 Required Investment Summary

Aside from the counter space described above, the NPS does not provide any personal property for the concession operation. Offerors must provide the furniture, fixtures, and equipment for its administrative office, as well as equipment and tools needed for operating the concession. Personal property that will be required for this concession operation include, but is not limited to, hard hats for customers and tour guides, communication devices, and, if the offeror proposes uniforms, uniforms for the employees.

### 3.6 Rates

The National Park Service approves rates charged by the Concessioner. Due to the lack of comparable operations in the area, the Superintendent has determined that the Contract Specified Rate Method is the method that will be used to approve rates. This method provides that the initial rates to be charged are specified in the contract, with an index included in the contract to allow for increases to occur in the future. The index is described in the Draft

Contract, Exhibit B. Offerors also have an opportunity to propose the initial rates in the Proposal Package.

### 3.7 Market Overview

Kennecott and the historic town of McCarthy attract thousands of visitors each year. Guests are attracted to the area by the opportunity to visit the NHL and by the numerous outdoor activities that include glacier hiking, backpacking, ice climbing, rafting, flightseeing and biking opportunities. Many guiding companies offer these activities.

A privately owned and operated hotel, the Kennicott Glacier Lodge, is located on the main street of the NHL. Additional clients are drawn from the overnight guests staying at the historic Ma Johnson's Hotel in McCarthy, as well as cabin rentals, bed and breakfast inns, a hostel and campgrounds.

Most tourist based operations in the area begin providing visitor services on Memorial Day weekend or the week starting before Memorial Day. Visitation increases through the summer, reaching a peak in July and early August. Most tourist based operations are closed by the middle of September.

### 3.8 Operating Conditions

Stabilization projects may prevent visitors from entering some or all areas of a building. An offeror should expect that at some point its ability to provide tours through some of the buildings may be disrupted due to these stabilization projects. The offeror should plan for the Concentration Mill building to be closed through 2015 and the West Bunkhouse through 2013.

The stabilization/rehabilitation work on the East Bunkhouse, the Power Plant, the Machine Shop, and the Leaching Plant is expected to be completed by the start of the Draft Contract and those buildings are expected to remain open during the term of the contract.

A large number of industrial artifacts and features remain in the mill town and contribute to the character of the cultural landscape. Many of these features have significance for their association with historic activities at Kennecott (1900-1938), and they are managed as cultural resources. Included are various types of mining equipment and machinery, structural ruins, remnant cable, pipe, pulleys, and grinding wheels. These industrial artifacts may pose safety risks to the visitor.

Safety issues related to entering buildings during this tour operation include:

- Low light levels
- Trip/fall hazards
- Low ceilings and overhangs
- Narrow, steep stairs
- Sharp objects

The National Park Service has established tour routes through the following buildings that must be followed when conducting these tours

- Concentration Mill
- Power Plant

- West Bunkhouse
- East Bunkhouse
- Machine Shop

The tour routes and operating requirements may be found in the Draft Operating Plan, Exhibit B of the draft contract included in this prospectus.

As identified in the draft operating plan, the group size will be limited to fifteen clients plus a maximum of three guides.

#### 4.0 LAW, REGULATION, POLICY AND PARK INFORMATION

NPS Concessions Law, Regulation, Policy and information about Wrangell-St. Elias National Park & Preserve can all be accessed via the internet at the following websites. Hardcopies of the law, regulations and policy will be mailed on request. Contact the person listed on the inside cover of the prospectus with your request.

Concessions Law and Regulations, ANILCA Section 1307

[http://www.nps.gov/akso/management/concession\\_contracts.cfm#laws](http://www.nps.gov/akso/management/concession_contracts.cfm#laws)

NPS Management Policies, Chapter 10- Commercial Visitor Services:

<http://www.nps.gov/commercialservices/regulations.htm>

Wrangell-St. Elias National Park & Preserve website:

[www.nps.gov/wrst](http://www.nps.gov/wrst)

## 5.0 Site Visit

On June 14<sup>th</sup> The National Park Service conducted a site visit at the NHL to provide potential offerors the opportunity to view the inside of historic structures not currently open to the public. Twelve people were in attendance. The site visit began at 10:30 am at the NHL's Visitor Center. The following structures were entered:

Power Plant  
Machine Shop

Concentration Mill  
West Bunkhouse

The site visit concluded at 12:30pm. The following questions were received:

### 5.1 General Questions

1) *When will the selection be made? Will it allow plenty of time for planning next summer tour?*

The NPS anticipates a selection to be made this winter.

2) *Who is the reviewing committee?*

The selection panel will be determined in accordance with NPS policy and regulations. In accordance with NPS policy, selection panel members will not be employees of Wrangell-St. Elias National Park & Preserve.

3) *Is there a public call for volunteers for the committee?*

No. NPS policy requires panel members to be federal employees.

4) *Is there a stop and start point?*

Refer to the prospectus operating plan.

5) *Information about the location?*

Please see prospectus.

6) *Tour route?*

See the prospectus for tour requirements.

7) *How much visitation does Kennecott get?*

See Business Opportunity section of the prospectus.

8) *Any information on the general demographics of the visitor?*

See Business Opportunity section of the prospectus.

## **5.2 QUESTIONS REGARDING SPECIFIC STRUCTURES**

### **Power Plant**

1) *When will the Power Plant building be finished?*

The majority of the work is expected to be completed in 2012.

2) *Is the Power Plant part of the prospectus?*

See Business Opportunity, Proposal Instructions, and Proposal Package sections of the prospectus.

3) *Can the public still have access to other buildings?*

Some buildings will be accessible to the public.

4) *What is the reasoning for no public access to these buildings?*

The primary concerns regarding public access are safety concerns and building hazards.

5) *What level of restoration is to be done?*

There are no plans to further restore the interior. More exterior restoration may occur in the future.

6) *Are you recommending, or not, to acknowledge the risks of entering?*

Safety and operational requirements are included in the Draft Contract included in this prospectus.

7) *What is required for risk assessment?*

Refer to the Draft Contract.

8) *Will ongoing testing occur for lead and asbestos?*

No ongoing testing is anticipated.

9) *Is tour only allowed on bottom floor?*

See tour route maps.

10) *Is there access through any other route?*

See tour route maps.

### **Machine Shop**

1) *Is the interior going to be cleaned out? When?*

Yes, 2016 is the long term estimate.

2) *Will the hazardous barrels be removed?*

Yes

3) *Any required certification for hazard?*

Any required concessioner certifications are identified in the Draft Operating Plan.

4) *What is the restoration time frame?*

Restoration timeframe is dependent upon availability of funds and the type of restoration.

5) *Will anything like the big machines be labeled identifying what they are?*

No.

6) *Any plans to add lighting?*

No.

### **Concentration Mill**

1) *How much time should be allotted for tour?*

See Draft Operating Plan for tour timeframe requirements.

2) *Should visitors be allowed to explore for 15 minutes, etc.?*

The Application requests offerors to describe how they will operate the tour.

3) *Are there any access issues involving private property?*

The contract does not involve private property.

4) *Will some parts of the building be open at all times?*

No.

5) *Why does the tour go from top to bottom?*

Refer to tour route maps in the prospectus. The ore was processed top to bottom.

6) *Will there be an option on the direction of exit (on the 5<sup>th</sup> floor)?*

Tours are required to follow the tour routes shown in the maps in this prospectus.

### **West Bunkhouse**

1) *Was there a fire?*

Yes, in the mid 1990's

2) *What is the time frame for allowing public access?*

Tours are expected to begin in 2014. Unguided public access will not be allowed.