

Request for Expressions of Interest (RFEI)

For the use of
Otter Creek Restaurant & Gift Shop and Rocky Knob Cabins
along the Blue Ridge Parkway



National Park Service
U.S. Department of the Interior
Southeast Region



THIS IS A REQUEST FOR EXPRESSIONS OF INTEREST (RFEI) ONLY. This RFEI is issued solely for information and planning purposes and does not constitute a Request for Proposal (RFP) or a promise to issue a RFP in the future. This request for expressions of interest does not commit the Government to contract for any supply or service whatsoever. Further, the NPS is not at this time seeking proposals and will not accept unsolicited proposals. Responders are advised that the U.S. Government will not pay for any information or administrative costs incurred in response to this RFEI. All costs associated with responding to this RFEI will be solely at the interested party's expense. Not responding to this RFEI does not preclude participation in any future RFP, if any is issued. If a solicitation is released, it will be synopsized on the Federal Business Opportunities website (www.fbo.gov). It is the responsibility of the potential offerors to monitor this site for additional information pertaining to this requirement.

FACILITIES INCLUDED in RFEI

BRP Milepost	Building	Description
60.8	Otter Creek Restaurant, Gift Shop and Campground	57 seat restaurant and gift shop
174.1	Rocky Knob Cabins	7 housekeeping cabins, employee housing

The National Park Service (NPS) is seeking expressions of interest for the use of Otter Creek Restaurant & Gift Shop and Rocky Knob Cabins along the Blue Ridge Parkway. The sites are at Blue Ridge Parkway Milepost 60.8 and Milepost 174.1 and may be used individually or combined. The NPS will consider the responses to this RFEI to plan for the use of these facilities starting in 2015. Otter Creek Restaurant was built in 1960 and was used as a restaurant and gift shop until 2010. Rocky Knob Cabins were built in 1941 and were used as rental cabins until 2012. Proposals for alternative uses will be considered.

The RFEI allows interested parties an opportunity to review the property, facilities, and park area and to submit their concept(s) of potential future use of the facilities, taking into account the park's purpose. The NPS may choose all or part of the content of one or more responses to the RFEI for further consideration and possible development into a public solicitation that the NPS then would advertise to the public, inviting all qualified candidates to submit proposals for the operation. There are very limited circumstances under which the building may be reused by a non-NPS entity without a public solicitation. The precise process for soliciting and selecting proposals will depend on the nature of the business opportunity and the legal instrument under which the proposal is issued.

The two instruments most commonly used by the NPS for facilities such as those under consideration in this RFEI are a concession contract and a lease. These instruments are governed by 36 CFR 51 (concession contracts) and 36 CFR 18 (leasing). The NPS may consider issuing Leases, Concessions Contracts or Temporary Concessions Contracts for some or all of the facilities. For more information on the NPS Commercial Services Program, please see <http://www.concessions.nps.gov/index.htm>.

A concessions contract is awarded through a prospectus process and issued to provide necessary and appropriate visitor services within a park area. Concessioners pay, to the NPS, a franchise fee for privileges granted under the contract. The franchise fee is determined through a franchise fee analysis; consideration of revenue to the NPS is subordinate to protecting park resources and providing services to the park visitors. The franchise fee also takes into consideration that the Concessioner has a reasonable opportunity for profit related to the obligations of the contract. Concession contracts are generally 10 years or less, but may be awarded for a term up to 20 years. Temporary concession contracts may be issued non-competitively for up to a maximum of 3 years.

A lease is typically awarded through a Request for Proposal. Leased property can be used for any lawful purpose with some required determinations identified in 36 CFR 18 § 18.4. Fair market value rent is required for leases. However requirements under the lease for the lessee to restore, rehabilitate, or otherwise improve the property are taken into consideration when determining the fair market value rent, as well as possible restrictions on the use of the property. A lease term may be up to 60 years in duration.

OTTER CREEK RESTAURANT & GIFT SHOP

Otter Creek Facilities Overview

The Otter Creek Restaurant, Gift Shop and Campground (MP 60.8) are located on Otter Creek, approximately 20 miles from Lynchburg, VA. The Restaurant and Gift Shop facility at Otter Creek was designed as a modern board-and-batten frame building with traditional Southern Appalachian features such as a long porch across the front, a jerkinhead or clipped gable roof, and a stone chimney. The facility opened for business in May, 1960. Site stabilization of an area just behind the restaurant was also accomplished as a part of the restaurant building improvements that occurred during the spring of 1999. A montane oak-hickory forest is the principal plant community surrounding the restaurant.



Historically, the 3,190 square foot facility was operated as a Restaurant and Gift Shop. The facility was open from May through October, serving breakfast and lunch. As it was configured, the dining room seated 57. The gift shop sold gifts, souvenirs, sundries and firewood. The facility has been closed since the end of 2010.

The adjacent, 69-site, Otter Creek campground, opened in 1960 with a small amphitheater established in 1962, is operated by the NPS, but was offered as a concession operation in the 2012 prospectus. Interested parties could improve and rent campsites, or have the opportunity to rent camping gear. Appendices to this RFEI contain additional information about the facilities.

The National Park Service supplies water and wastewater at the current rate of \$9.35 per thousand gallons (combined). In 2010, Otter Creek Restaurant used 146,100 gallons. Appalachian Power supplies electricity to Otter Creek.

HISTORICAL RESTAURANT GROSS RECEIPTS

Department	2008	2009	2010
Food and Beverage	\$154,447	\$142,921	\$138,362
Retail	\$73,328	\$78,784	\$100,368
Total Gross Receipts	\$227,775	\$221,705	\$238,730

2012 OTTER CREEK CAMPGROUND OVERNIGHT STAYS BY MONTH

	April	May	June	July	August	Sept	Oct	2012 Ttl
Tents	174	213	473	154	351	408	527	2300
RVs	156	281	203	85	134	526	504	1889
Total	330	494	676	239	485	934	1031	4189

Otter Creek Area Overview

Situated near the James River and at the Parkway’s lowest elevation, the James River/Otter Creek Recreation Area (Milepost 60-65) offers a variety of activities, attractions and services for Parkway visitors that complement the campground, restaurant and gift shop/campstore. An accessible fishing pier on Otter Lake provides visitors with disabilities opportunities to fish. A bridge and pedestrian walkway across James River connects the seasonally open visitor contact station with the restored Battery Creek canal lock. The Otter Creek Trail and the Otter Lake Loop Trail provide recreational and scenic-viewing opportunities.

Other nearby Parkway attractions include the only Parkway tunnel in Virginia where the Parkway passes through Bluff Mountain (Milepost 53). Another scenic attraction, Natural Bridge, is between I-81 and the Parkway and the towns of Glasgow on the west side of the Parkway and Lynchburg on the east side are nearby.

ROCKY KNOB CABINS

Rocky Knob Cabins Facilities Overview

The Rocky Knob Cabins, a small, secluded complex of seven housekeeping cabins, a manager’s house and a shower/bath house is located near Floyd, VA. These historic structures constructed in 1941 by the Civilian Conservation Corps. First developed as “trail lodges”, the Cabins were remodeled for use as family housekeeping units in 1950. Six of the cabins include a bedroom and kitchen. The seventh cabin is ADA accessible and includes private bathroom in addition to a kitchen. Each cabin is 418 square feet. The 960 square foot manager’s house includes a bedroom, living area, kitchen, bathroom and office. The 792 square foot shower house has men’s and women’s bathrooms and showers, and a laundry room. The cabins were historically available for rental May through October. The cabins have been closed since the end of 2012.



The National Park Service supplies water and wastewater at the current rate of \$9.35 per thousand gallons (combined). In 2012, Rocky Knob Cabins used 105,371 gallons. Appalachian Power supplies electricity to Otter Creek.

HISTORICAL GROSS RECEIPTS

2008	2009	2010	2011	2012
\$64,320	\$64,334	\$72,037	\$51,263	\$50,645

Rocky Knob Area Overview

The Rocky Knob recreation area, centered at Milepost 174, has more than 3,500 acres of mostly rugged, forested terrain, including Rock Castle Gorge. The NPS owns and administers the entire watershed of Rock Castle Gorge, which is home to a number of rare plants and provides opportunities for natural resource monitoring and comparative study. There are many overlooks and vistas along the Parkway of the dramatic Gorge, making it an important scenic focal point. An extensive trail system in Rock Castle Gorge, including the Rock Castle Gorge Loop Trail, a designated National Scenic Trail, provides excellent hiking and access to backcountry camping opportunities.

The Rocky Knob Cabins have direct access to the southern entrance to Rock Castle Gorge and are close to several natural, cultural and historical sites including the Gorge's hiking trails, the historic Mabry Mill, and Fairy Stone State Park. Mabry Mill, the Parkway's most visited attraction, is two miles from the Rocky Knob Cabins. Rocky Knob is 27 miles from Fairy Stone State Park. Also near the Cabins are a campground, picnic area, and a visitor contact station housed in a converted historic gas station.

THE NATIONAL PARK SERVICE

America's National Park Service was created by Congress to "conserve the scenery and the natural and historic objects and the wildlife 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." Additionally, the Congress has declared that the NPS areas should be "preserved and managed for the benefit and inspiration of all the people of the United States."

To learn more about the NPS, visit our website at www.nps.gov. This site includes information about who we are, our mission, NPS policies, and individual park information.

THE BLUE RIDGE PARKWAY

Located in the Blue Ridge Mountains of Virginia and North Carolina, the Parkway is a 469-mile recreational motor road that connects Shenandoah and Great Smoky Mountains National Parks while protecting the cultural and natural features of the region. Encompassing over 92,000 acres with more than 1,000 miles of boundary, the Parkway provides the visiting public with a variety of recreational activities. Visitors are drawn to this area to experience the stunning scenery and close-up looks at the natural and cultural history of the mountains.

The Parkway, in linking the Shenandoah and Great Smoky Mountains National Parks, is dedicated to enhancing the outstanding scenic and recreational qualities of the corridor that it traverses; conserving unimpaired its significant natural and cultural resources, and promoting in perpetuity the public enjoyment and appreciation of the central and southern Appalachian Mountains. Additional information regarding the Parkway can be found at www.nps.gov/blri

MARKET AREA OVERVIEW

Regional and Local Market Area

The concession facilities at Otter Creek and Rocky Knob are located in Southwestern Virginia. On the Virginia side, the largest major cities in the surrounding area (with populations greater than 50,000) include Richmond, Roanoke and Lynchburg.

The following exhibit presents historical and projected population growth for the counties and independent cities surrounding the areas, as well as for the state of Virginia and for the U.S. as a whole. As shown, Virginia is projected to continue to grow faster than the nationwide average.

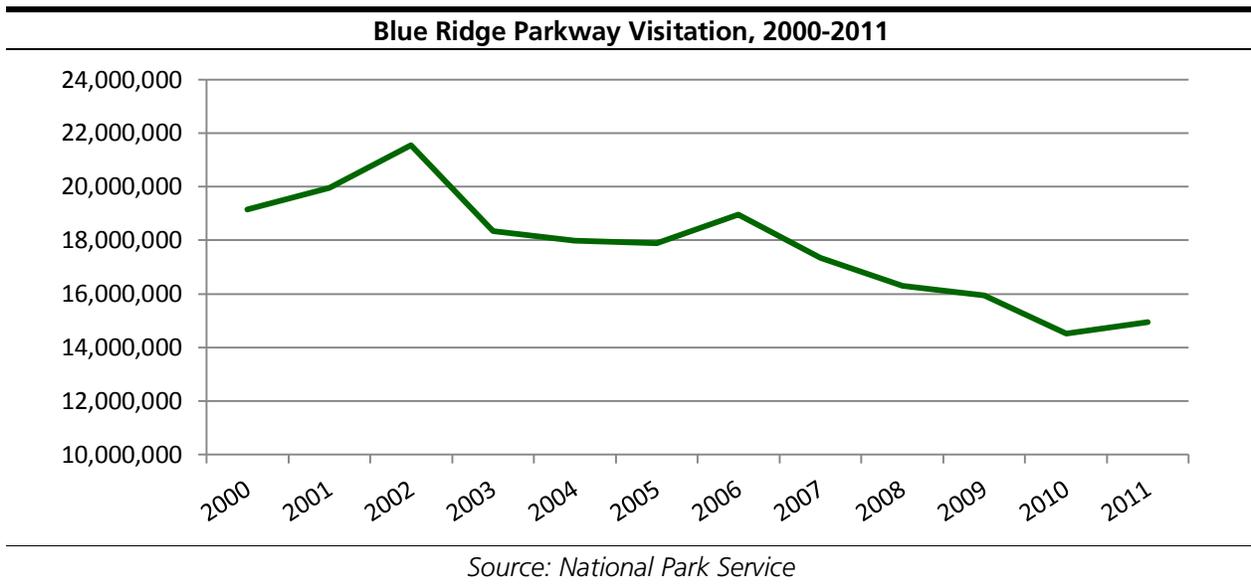
Population of Counties Surrounding Parkway (2000-2020)					
	2000	2010	Average Growth 2000-2010	Projected 2020	Average Growth 2010-2020
Virginia Independent Cities					
Bedford	6,299	6,222	-0.1%	5,966	-0.4%
Buena Vista	6,349	6,650	0.5%	6,569	-0.1%
Lexington	6,867	7,042	0.3%	7,315	0.4%
Lynchburg	65,269	75,568	1.5%	72,615	-0.4%
Radford	15,859	16,408	0.3%	16,890	0.3%
Roanoke	94,911	97,032	0.2%	88,503	-0.9%
Salem	24,747	24,802	0.0%	24,145	-0.3%
Virginia Counties					
Bedford	60,371	68,734	1.3%	76,731	1.1%
Botetourt	30,496	33,156	0.8%	35,756	0.8%
Rockbridge	20,808	21,514	0.3%	22,270	0.3%
Amherst	31,894	32,484	0.2%	33,166	0.2%
Virginia	7,078,515	8,010,245	1.2%	8,917,395	1.1%
U.S.	281,421,906	308,935,581	0.9%	335,804,546	0.8%

Source: U.S. Census Bureau, VA Employment Commission

PARK VISITATION INFORMATION

The Service bases recreation visitor counts on data from traffic counters placed across multiple points along the Parkway. For more information on how the Service collects and reports recreation visitor counts, please visit <http://www.nature.nps.gov/stats/index.cfm>.

The following exhibit depicts Parkway visitation trends over the 2000-2011 period.



From 2000 to 2010, the Parkway averaged close to 17 million visitors annually. Note the steep decline in visitation in 2003 may be due to changes in the way visits to the Parkway are counted. Since 2003, visitation declined in six out of eight years, and this decline appears tied to economic factors and weather conditions. For example, the significant drop in visitation in 2010 from the prior year is largely due to unusually severe winter storms from January to March, which caused the closure of large sections of the Parkway for a lengthy period of time. Visitation in 2011 was approximately 6% higher than it was in 2010.

Seasonality of Visitation

The following exhibit presents data on average monthly visitation reported from 2000 to 2010. While the Parkway is open year-round, visitation is seasonal. Almost 60% of total annual visitation occurs from June to October.

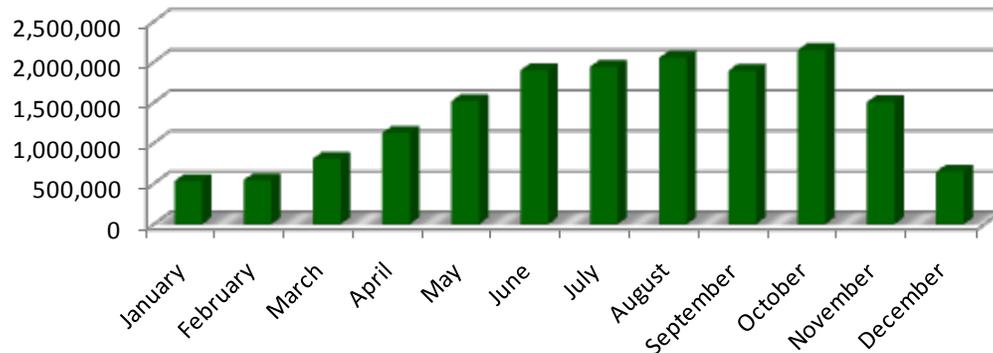
Blue Ridge Parkway Average Monthly Visitation, 2000-2010

Month	Average Visitation	Share of Annual
January	531,457	3.2%
February	543,968	3.3%
March	807,073	4.9%
April	1,125,694	6.8%
May	1,517,638	9.1%
June	1,899,867	11.4%
July	1,940,613	11.7%
August	2,053,274	12.4%
September	1,893,421	11.4%
October	2,148,464	12.9%
November	1,505,291	9.1%
December	646,942	3.9%
Annual	16,613,701	100%

Source: National Park Service

The following exhibit depicts this information graphically.

Blue Ridge Parkway Average Monthly Visitation, 2000-2010



Source: National Park Service

Park Visitor Demographics

In June 2001, the NPS undertook a comprehensive survey of the American public to understand its perception of the NPS. The information was organized by the seven regions of the NPS and provides insight on regional visitor characteristics. The [NPS Comprehensive Survey of the American Public](#) identifies the average visitor frequenting National Parks in the southeast region, in which the BRP resides, as married and between the ages of 22 and 44 years old. Most of these respondents stated they work full-time and have some college-level education. Approximately 46 percent reported earning an annual income between \$20,000 and \$49,999 and another 25 percent reported earning an annual income between \$50,000 and \$99,999. Over half of the respondents stated they did not have any children under the age of 18 living in the household, but 14 percent reported they do have minor children living in the household. Therefore, the study suggests the typical southeast regional visitor is able to travel and has a disposable income.

The most recent Service Visitor Study for Blue Ridge Parkway was conducted in the fall of 2007 and summer of 2008. The survey found that 50% of fall visitors were between 46 and 65 years old, 22% were between 16 and 45, 21% were 66 years or older, and 7% were 15 years or younger. The numbers were similar for the summer: 50% of visitors were between 46 and 65, 21% were between 16 and 45, 17% were 66 or older and 12% were 15 years or younger. As approximately 70% of visitors are over 45, the Concessioner will need to focus on attracting new types of visitors going forward to maintain occupancy levels. This may mean that amenities such Internet access, televisions and cell phone connectivity will become increasingly more important to attract guests. Future target visitor segments for the lodges may include bikers, younger active/adventure travelers, and families.

The survey also found that a large proportion of visitors have visited the Parkway multiple times. In the fall, 51% of visitors had visited the Parkway four or more times, 6% had visited the Parkway three times, 10% had visited twice and 34% were making their first visit to the Parkway. The summer numbers are similar: 47% had visited four or more times, 6% three times, 10% twice and 38% were making their first visit.

According to the study, demand for services on the Parkway is derived primarily from visitors from North Carolina, Virginia and other parts of the southeastern U.S. The following exhibit presents this breakdown.

Blue Ridge Parkway Visitation by Region of Origin		
Origen	Share of Visitation (Fall 07)	Share of Visitation (Summer 08)
North Carolina	31%	27%
Virginia	15%	14%
Florida	9%	12%
South Carolina	7%	5%
Tennessee	6%	3%
Georgia	5%	5%
Other U.S.	23%	31%
International	4%	3%

Source: National Park Service

FINANCIAL REQUIREMENT

Financial requirements vary based on the legal instrument under which the proposal is issued and may be based on fair market lease value or a financial analysis of the business opportunity. In general, the financial requirements for use of one of these facilities would include investing in the operation and maintenance of the facility to the NPS standards.

TERM LENGTH

Term length will be determined by the NPS. Depending upon the instrument used, the shortest term may be a 3 year temporary contract and the longest could be up to a 60 year lease. If temporary concession operators are used, they will have the opportunity to bid on a full term contract (10 years).

SITE VISIT

Site visits are scheduled for both facilities on July 30, 2014. All parties intending to attend scheduled site visits must send an email message to Laura Nelson at the email address listed below by July 23, 2014.

CONSIDERATIONS

Uses of federal land must be authorized by law and comply with the law under which the use is authorized.

Uses of federal land under NPS management must meet certain criteria. For the Blue Ridge Parkway, this means that the use must:

- Not degrade or unduly impair the park's resources and values;
- Be compatible with the programs of the NPS;
- Be consistent with the purposes established by law for the park area in which it is located; and,
- Ensure the preservation of any historic property involved with the proposed use.

Additionally, the use must follow all applicable local, state and federal laws, such as health, safety, food handling, and labor and employment law. Uses must be compliant with environmental and historic preservation policy.

The NPS will consider the responses to this RFEI to plan for the use of these facilities starting the spring of 2015.

The pertinent laws, regulations and policies, can be found at:

<http://home.nps.gov/applications/npspolicy/index.cfm>

More information on the NPS commercial services program can be found at: www.concessions.nps.gov.

Information about other ways to do business with the NPS can be found at:

www.nps.gov/aboutus/doingbusinesswithus.htm.

Information specific to Blue Ridge Parkway is available at:

www.nps.gov/blri/parkmgmt/businesswithpark.htm

SUBMISSION GUIDELINES

Respondents are encouraged to provide input that demonstrates how their concept will support the park's purpose. Responses should not exceed 15 pages total. Any viable option will be considered. Please submit:

- A description of your interest in use of facility(ies), and which facility(ies) you are interested in;
- A transmittal letter indicating your name, company or organization, legal structure, and contact information for representative(s) including email address;
- Previous hospitality management experience, if any;
- Previous NPS Concessions or Leasing operation experience, if any; and,
- Any other pertinent points or conditions.

Please indicate in your submission whether you would like the NPS to retain your contact information and notify you of future Business Opportunities.

Please submit your response by **September 10, 2014**. In addition, respondents are encouraged to submit an electronic copy of their response in any format.

The NPS will acknowledge your submission after receipt. Within 60 days of the submission date the NPS will provide a publically available description of the next steps in the process and notify all respondents by email.

FOR RESPONSES, QUESTIONS AND COMMENTS PLEASE CONTACT

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