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**Prospectus for Campground and  
Related Granger-Thye Concessions  
Nantahala National Forest**

**U.S. DEPARTMENT OF AGRICULTURE  
Forest Service**



August, 2016

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## **Pertinent Materials (Available Upon Request)**

- “Cleaning Recreation Sites” (USDA-Forest Service)
- “In Depth Design and Maintenance Manual for Vault Toilets” (USDA-Forest Service)

## **I. Business Opportunity**

### **A. Introduction**

This prospectus is being issued to solicit applications for a concession campground special use permit. A permit to provide high-quality public service in the operation and maintenance of Government-owned recreation facilities located on the Nantahala Ranger District, Nantahala National Forest, will be issued. The permit will include the following developed sites:

Van Hook Glade Campground  
Cliffside Lake Recreation Area  
McCall Cabin (Optional)

Van Hook Glade Campground and Cliffside Lake Recreation Area are being offered as one opportunity. The optional additional facility that applicants can choose to offer to operate and maintain include the McCall cabin, located approximately 1 mile past Van Hook Glade Campground off US Hwy 64E on Forest Service System road 413.

The authorized officer for this business opportunity is the Forest Supervisor for the National Forests in North Carolina, 160 A Zillicoa Street, Asheville, NC 28801.

The current permit for the concession of Van Hook glade Campground and Cliffside Recreation Area expires on December 31, 2016. Over the past three years, this concession has generated the following gross revenues:

<u>Year</u>	<u>Gross Revenue</u>
2013	\$37,493.00
2014	\$40,439.00
2015	\$43,292.00

McCall Cabin is a new offering therefore no revenue history exists.

The popularity of Western North Carolina's mountains has made tourism the second largest industry in the region. Tourist attractions such as the Blue Ridge Parkway, the Great Smoky Mountains National Park, the Oconaluftee Indian Village, and the Franklin Gem and Mineral Museum are all within an hour's drive of the site.

During the use season, from April 1 through October 31, it is estimated that approximately 10,000 people camp at Van Hook Glade Campground and approximately 16,000 people use Cliffside Lake Recreation Area with the bulk of the use occurring in the months of June, July, and August. While the Van Hook Glade campground is an economical place to stay while visiting the area's attractions, much of the current use at Cliffside Lake comes from residents of nearby cities looking for a retreat from the summer's heat.

The more popular recreation activities at the campground are camping, hiking, and fishing in the Cullasaja River. The popularity of the only swimming area available in a lake setting attracts many to the cool waters as relief from the summer heat. The swimming area is unguarded and risk is assumed by the users.

## **B. Area Description**

Recreation sites being offered in this prospectus are a fee campground and a recreation area with a parking fee. They are located along U.S. Hwy 64, which connects the town of Franklin and the town of Highlands, North Carolina. These recreation sites are used by visitors to the forest who enjoy outdoor recreation in a cool, quiet location.

The major recreation activities in the summer and fall are driving for pleasure, camping, picnicking, fishing, hiking, viewing wildlife and fall colors, and hunting. The Forest provides good habitat for a wide variety of wildlife species, such as small game, deer, wild turkey, and black bear. Trout fishing is popular in both the Cullasaja River and the nearby Cliffside Lake. Both areas are stocked by the North Carolina Wildlife Resources Commission during the season.

The closest Forest Service area with similar recreational attractions and facilities is Standing Indian Campground, located approximately 20 miles southwest of Franklin, North Carolina. One privately operated campground is located within the area approximately 7 miles west on U.S. Hwy 64. Another private campground is located 4 miles south of Highlands on North Carolina Hwy 28.

The area has a pleasant year-round climate. Temperatures during the summer are relatively mild, averaging from 60° to 75° during the day. Nighttime temperatures average about 45°. Late-August and September temperatures average about 60°, with lows at night around 25° to 30°. Frost and snow can occur during any of the fall months.

Precipitation is well distributed throughout the year, with an average annual rainfall of 70-90 inches and when combined with the mountain gorge location provides for an abundance of lush vegetation. The elevation of both sites is approximately 3,300 feet, which offers some climatic relief for those traveling from the lower piedmont and coastal areas.

## **C. Description of Developed Recreation Sites and Facilities**

The following is a description of each developed recreation site included in this prospectus and the rustic cabin (*see* Appendix 2 of the prospectus).

The sites are located in a wooded setting in the Cullasaja Gorge area of Macon County, North Carolina. The site is located within the boundaries of the Nantahala National Forest, Nantahala Ranger District. Both developed sites are located approximately 4 miles west of the town of Highlands on U.S. 64. McCall cabin is located approximately 1 mile past Van Hook Glade Campground off US HWY 64E on Forest Service System road 413.

## **Van Hook Glade Campground**

Van Hook Glade is a scenic, secluded campground in the heart of the Nantahala National forest, just 4 miles from the scenic and cultural attractions of Highlands, North Carolina. The shady, family-friendly campsites site at 3,300 feet in elevation. The area provides recreation opportunities for visitors of all ages and various skills levels to enjoy the outdoors. A short trail in the campground leads to the Cliffside Lake Recreation Area, which offers six hiking trails ranging from easy to moderate, as well as trout fishing, picnicking and swimming (see Recreation Area description).

The campground has a total of 20 camping units, which are accessed by a paved road. Each campsite has a tent pad, a concrete or wooden picnic table, a lantern post, gravel parking spurs for two vehicles, and a ground or elevated grill. There is one flush toilet facility with hot showers and water is available at centrally located faucets. There are no electrical or water hookups at individuals campsites except for the host site. The facility has six bear proof garbage containers located within the campground. A local disposal company provides and services one dumpster.



One of twenty campsites available to visitors at Van Hook Glade Campground.

## **Cliffside Lake Recreation Area**

Cliffside Lake Recreation Area is a kid-friendly recreation area and a great place to take the family for a full day of recreation, a short trail leads you to Van Hook Glade Campground. The site offers ample opportunities to enjoy nature. Six short hiking trails (approximately 5 miles total) start at the recreation area, with some leading to waterfalls. The lake offers a beach area for swimming and good trout fishing with multiple access points for visitors to spread out. Two covered picnic areas are available for reservation that can accommodate a group of 25. Twenty-two picnic sites that comfortably fit 6 visitors, 18 of which have grills, are open for use.

Other facilities that make the area an easy escape for the day include 2 paved parking lots, several dispersed gravel parking spaces, flush toilets located at the swimming beach, and potable water sources.



The large covered picnic shelter at Cliffside Lake Recreation Area.

## **OPTIONAL BUSINESS OPPORTUNITY/BID ITEM**

### **McCall Cabin (Optional)**

McCall cabin is located approximately 1 mile past Van Hook Glade Campground off US Hwy 64E on Forest Service System road 413. The cabin was originally constructed by John Brooks in the Clear Creek area, south of Highlands, North Carolina in 1850. Initially the structure was one and a half stories, but was expanded twice in the late nineteenth century and again in the early twentieth century. When the Brooks family moved to Greenville, South Carolina in 1914, the property was sold to Rufus McCall. The McCall family occupied the cabin until 1971. Since the 1970's, the cabin remained empty, and was later donated to the United States Forest Service. The Forest Service dismantled and relocated the cabin to its current location, and repaired the damage from years of nonuse.

McCall cabin is a primitive cabin with few amenities. McCall cabin contains two bunkbeds and a table with four chairs. Outside of the cabin, guests have access to a grill/fire ring, a lantern post, and an outdoor table. The site has 8 paved parking spaces including one accessible parking space.

### Characteristics of Developed Recreation Sites

Site	Van Hook Glade Campground	Cliffside Recreation Area
Communications	Telephone hookups at 1 host site	Telephone hookup at host site
Utilities	Water, electricity, and septic holding tank at host site only	Water, electricity, and septic holding tank at host site only
Drinking Water	Provided by the Forest Service water system; 6 spigots	Provided by the Forest Service water system; 8 spigots
Toilet/Shower Type	2 flush toilets and 2 shower units	2 flush toilet bldg. 1 vault toilet bldg.
Toilet Vault Capacity	1,500 gallons 4 tanks	1,500 gallons 4 tanks
Forest Service Trash Bins	6 Double Bear Proof Garbage Containers	8 Double Bear Proof Garbage Containers
Trash Bin Type	1 dumpster provided by contractor	1 dumpster provided by contractor
Accessibility	1 site	0 sites
Elevation	3,300 feet	3,300 feet
Number of Camping and/or Picnic Units	19 Single Camping sites 1 host site	22 Picnic Sites; 18 w/grills
2015 Fee Per Camping Unit/Picnic Shelter	\$16.00 per night/per site	\$4.00 per day/per vehicle \$25.00 ½ day small picnic shelter \$35.00 ½ day large picnic shelter
Minimum Operating Season	April 1–October 31	April 1 – October 31
Three-Year Average Gross Revenue (2013-2015)	\$ 24,203.00	\$ 16,204.60

#### D. Government-Furnished Property

The Forest Service will provide certain property in conjunction with the concession campground special use permit (*see* Appendix 3 of the prospectus). Included in this inventory are a description, the quantity, and the estimated replacement cost of the applicable property.

#### E. Government-Furnished Supplies

The Forest Service will not furnish any supplies for day-to-day operation of the concession. Government-furnished supplies will be limited to those necessary for programmatic consistency, including:

- Forms to report use and revenue.
- A copy of the Forest Service publications, “Cleaning Recreation Sites,” “In-Depth Design and Maintenance Manual for Vault Toilets,” and “Vault Toilet Pumping Contract Specifications and Guidelines for Preparing Contracts.”
- A copy of “Recreation Opportunity Guides,” which the holder may reproduce at its expense.
- Title VI signs.
- A copy of “Forest Service Outdoor Recreation Accessibility Guidelines” (FSORAG)

## F. Utilities and Waste Management

Certain utilities and infrastructure exist for the developed recreation sites identified in this prospectus. The permit holder will be responsible for securing, managing, and paying for these utilities. Applicants should contact current service providers to obtain estimated costs for the utilities. These utilities include: some heat must be left on in Van Hook Glade bathroom/shower facility in the winter season.

### **Electrical**

Duke Energy Carolinas LLC has provided electrical service to both recreation areas through the use of 2 electrical meters.

### **Telephone**

Frontier Communications of the Carolinas LLC is the current provider.

### **Water**

Water at the recreation area and campground is provided by individual wells with pressure tanks and a distribution system with hydrants located throughout the campground. The permit holder is required to operate and maintain the water system for both recreation areas in compliance with applicable federal, state and local laws and regulations for the operation and maintenance of a public drinking water system including all water testing. The holder is also required to perform water testing at the swimming area at Cliffside. Permit holder must abide by all State and Federal regulations.

### **Garbage**

The permit holder will be responsible for garbage removal at both sites. The current provider is J&B Disposal, Inc. of Franklin, NC at 828-369-2727.

## **Liquid and Solid Waste Disposal**

The permit holder is responsible for pumping all vault toilets and septic systems at the developed recreation sites. The current provider is Bates Septic Tank Service of Franklin, NC at 828-524-7905

## **II. Forest Service Concession Programs and Policies**

Government-owned concessions are authorized by special use permits issued under Section 7 of the Granger-Thye (GT) Act, 16 U.S.C. 580d, and implementing regulations at 36 CFR Part 251, Subpart B.

In addition, there are certain Forest Service programs and policies that apply to campground concession. All applications must be consistent with these requirements.

### **A. National Recreation Reservation Service (NRRS)**

The National Forests in North Carolina participates in the NRRS, which provides nationwide, toll-free telephone reservations for single-family or group camping sites, rental cabins, and other recreational facilities. Visitors pay the camping fee at the time they make a reservation, and no fees are collected at the site (although the permit holder may allow occupancy of any site in the NRSS that is unreserved and charge on site for that use).

The current NRRS contractor is ReserveAmerica, 40 South St., Ballston Spa, New York 12020. Contact information for the NRSS follows.

Susan Valente  
Forest Service Agency Technical Representative/  
Region 8 NRRS Coordinator  
Telephone: 303-621-4170  
Email: [svalente@fs.fed.us](mailto:svalente@fs.fed.us)

NRRS Help Desk (Technical and Inventory)  
Telephone: 877-345-6777  
FAX: 888- 742-5520  
Email: [nrrshelp@reserveamerica.com](mailto:nrrshelp@reserveamerica.com)

Customer Service (Refunds, Customer Assistance.)  
Telephone: 888-448-1474  
FAX: 518-884-9371  
Email: [nrrscs@reserveamerica.com](mailto:nrrscs@reserveamerica.com)

The NRRS is the only authorized reservation system for Forest Service developed recreation sites, including campgrounds, cabins, and group use areas. The Forest Service contract for the NRRS prohibits campground concession permit holders from using any other reservation system, establishing their own reservation system, or reserving campsites other than through the NRRS. Applicants may recommend adding sites to or deleting sites from the NRSS or changing the

number of sites that may be reserved, the minimum number of days per reservation, or the location of sites that may be reserved. The permit holder also may make these recommendations during the term of the permit. The authorized officer will decide whether to accept or reject the recommendations.

Under the NRRS, the following guidelines must be followed, unless there are compelling operational reasons:

1. For each developed recreation site included in the NRRS, at least 60 percent of the units must be available for reservations. The rest of the units may be occupied on a first-come, first-served basis.

- Reservation windows vary by type of site and are as follows:

Individual campsites: from 180 to 3 days prior to arrival.

2. When the NRRS is utilized, the permit holder is responsible for on-site administration and will be required to:

- Obtain daily arrival reports (DARs) from the NRRS contractor each morning by establishing at least one central facsimile location, email address, or other means of obtaining and distributing DARs.
- Develop a system for posting reservations at the sites so other visitors know which units are reserved.
- Post and hold reserved sites for 24 hours.
- Ensure that the party with the reservation is the party using the site.
- Resolve any disputes over the use of reserved sites by drop-in campers.
- Verify that visitors hold a Golden Age or Golden Access Passport or the America the Beautiful–National Parks and Federal Recreational Lands Pass (ATB Pass) authorized under the Federal Lands Recreation Enhancement Act (REA), 16 U.S.C. 6801-6814, before giving the discount on fees for those passes (*see* section II.B).
- Develop inventory data for sites being added to the NRRS, and update data for sites currently in the NRRS (including fees charged the public and temporary site closures). Submit data to the NRRS at least annually for data updates.
- Communicate to the NRRS any emergency closures or other relevant operational changes as they occur.

- Approve customer refunds as appropriate, and process them through the NRRS. NRRS refund policies can be found at <http://www.reserveusa.com/jsp/homepage.jsp?goto=/home/policies.html>.

Because reservations can be made up to a year in advance for group sites and up to 240 days in advance for family sites, the NRSS is currently accepting reservations for the 2017 operating season. Fees received by the NRSS for reservations after December 31, 2016 will be held by the Forest Service and distributed following issuance of a special use permit to the successful applicant. In the final year of the permit, fees will be held in the same manner until a new permit is issued. The permit holder will honor reservations made prior to issuance of the permit at the price in effect when the reservations were made.

## B. Pass Discounts

The permit holder must provide a 50 percent discount on applicable recreation fees charged under the Recreation Enhancement Act (REA) as amended, at developed recreation sites covered by this prospectus to holders of Golden Age and Golden Access Passports, as well as holders of the Interagency Senior and Access Passes.

Specifically, holders of these passes are entitled to a 50 percent discount on the fee for a single campsite occupied by the pass holders. The pass holders are not entitled to a discount on the fee for a multiple-family campsite, cabin, or group use area or any additional campsites occupied by those accompanying the pass holders. The 50 percent campsite discount does not include utility, water, or any other hookup fees.

Any loss of fee revenue from honoring the passes should be factored into applicants' bids.

The permit holder will not be required to offer discounts on camping to holders of the Annual or Volunteer Pass.

The following is a list of sites covered by this prospectus where the 50 percent discount for passes applies:

- Van Hook Glade Campground

Standard Amenity Recreation Fee Sites Under REA [Reserved]. The Forest Service is proposing a revision to FSM 2344.3 to address treatment of standard amenity recreation fee sites in the concession program. The agency reserves the right to amend a special use permit issued under this prospectus to be consistent with any change in that directive.

The following is a list of sites covered by this prospectus where a standard amenity fee is charged:

- Cliffside Lake Recreation Area
- McCall Cabin (Optional Site)

### C. Camp Stamps

Camp stamps must be honored at their face value and submitted to the authorized officer for reimbursement.

### D. Site Closures

The Forest Service reserves the right to close all or a portion of any area in this prospectus for repair; construction; floods, snow, extreme fire danger, or other natural events; wildlife protection; or risks to public health and safety. The Forest Service shall not be liable to the permit holder for lost revenue, operating costs, or any other losses resulting from these closures. However, for fee calculation purposes, the permit shall be placed in non-use status as provided by FSH 2709.11, section 31.23.

### E. Administrative Use

If the Forest Service requires the permit holder to provide a service for the agency, the permit holder will be compensated for that use.

### F. Applicable Forest Orders

Forest Orders may be issued to address a variety of management concerns on a particular forest. Sample orders related to the offering are identified in Appendix 4. Additional applicable forest orders may be issued in the future.

### G. Fee Tickets and Compilation of Use and Revenue Data

The permit holder must provide fee tickets to visitors that include at least the following information:

- The site number and total amount paid.
- The date of issuance and number of days paid for.
- If a pass is used, the pass number.
- The number of people in the group.
- The number of vehicles and their license plate numbers.

The permit holder must provide use and revenue data to the Forest Service (*see* Appendix 5 of the prospectus for a sample use report). Use reports must be completed monthly and at the end of the operating season for each developed recreation site, provided that when the holder performs GT fee offset work in lieu of paying the land use fee in cash, use reports may be submitted quarterly, rather than monthly. At a minimum, monthly and year-end use reports must include:

- The total number of units occupied based on daily counts.
- The total number of people based on daily counts.
- The percentage of occupancy by month.

- Total recreation fee revenue.
- Total fee revenue for other goods and services.
- The total number of Camp Stamps collected.
- The total number of passes used.

In addition, year-end use reports must include:

- Total fee revenue collected under the NRRS.
- Total taxes paid.
- Total gross revenue.
- Total net revenue.

## H. Customer Service Comment Cards

The permit holder must provide a customer service comment card to visitors at each developed recreation site (*see* Appendix 6 of the prospectus).

## I. Performance Evaluations

At a minimum, the Forest Service will perform a year-end performance evaluation within four months of the close of the operating season (*see* Appendix 7 of the prospectus). An unsatisfactory rating may be cause for suspension or revocation of the special use permit. Sustained satisfactory performance is required for a permit extension.

## J. Accessibility

The Architectural Barriers Act of 1968 (ABA) and Section 504 of the Rehabilitation Act of 1973 require new or altered facilities to be accessible, with few exceptions. In 2004, the Architectural and Transportation Barriers Compliance Board (Access Board) issued revised accessibility guidelines for buildings and facilities subject to the ABA and the Americans with Disabilities Act (ADA). These new guidelines are called the ADA/ABA Accessibility Guidelines. In 2006, the Forest Service issued the Forest Service Outdoor Recreation Accessibility Guidelines (FSORAG). The FSORAG addresses types of recreational facilities, including developed recreation sites that are not covered by ADA/ABA Accessibility Guidelines.

Any Government maintenance, reconditioning, renovation, or improvement (*see* section III.C) must meet ADA/ABA Accessibility Guidelines, where applicable, as well as the FSORAG.

The FSORAG and the ADA/ABA Accessibility Guidelines are posted on the Forest Service's website at <http://www.fs.fed.us/recreation/programs/accessibility>. Questions regarding ADA/ABA Accessibility Guidelines may be referred to the Access Board at [www.access-board.gov](http://www.access-board.gov). Questions regarding the FSORAG may be referred to the accessibility coordinator for the local National Forest.

The permit holder is responsible for ensuring effective communication with visitors with disabilities, including persons with impaired vision or hearing, so that all visitors may obtain information on accessible services, activities, and facilities.

## **K. Camping Unit Capacity**

### **Number of Vehicles Per Camping Unit**

A single-family camping unit may accommodate one vehicle. A “vehicle” is defined as any motorized conveyance, except that for purposes of vehicular capacity, two motorcycles are considered one vehicle. Additional vehicles may be allowed at a camping unit, if the camping unit can safely accommodate them. When extra vehicles are allowed, an extra fee of up to 50 percent of the camping unit fee may be charged for each extra vehicle. If an extra vehicle exceeds the camping unit capacity (i.e., the extra vehicle causes a safety hazard or resource damage), the customer may be required to pay for an additional camping unit or park in an overflow parking area, if available. One towed vehicle per single camping unit will be allowed for no extra charge if it can be parked completely on the surfaced area and does not create a safety hazard. Examples of towed vehicles include a boat trailer or a car towed by a motor home.

### **Day Use Site Capacity**

Cliffside Recreation Area Shelters are able to accommodate 25 visitors each.

## **L. Stay Limit**

Campers at overnight sites will be limited to a 14 day stay limit during any consecutive 30 day period.

## **M. Fees Charged to the Public**

The permit holder may charge the public fees only to the extent that the Forest Service can charge recreation fees under REA. All recreation fees must be specified per developed recreation site. The holder must honor the proposed pricing through the first full operating season. Thereafter, the holder may propose price adjustments with justification.

Permit holders may not charge for any of the following:

- Solely for parking, undesignated parking, or picnicking along roads or trailsides.
- General access, unless specifically authorized by REA.
- Dispersed areas with low or no investment, unless specifically authorized by REA.
- Persons who are driving through, walking through, boating through, horseback riding through, or hiking through NFS lands without using the recreational facilities and services for which a fee is charged.

- Camping at undeveloped sites that do not provide the minimum number of facilities and services prescribed by REA.
- Use of overlooks or scenic pullouts.
- Travel by private, noncommercial vehicle over any national parkway or any road or highway in the Federal-aid System that is commonly used by the public as a means of travel between two places, either or both of which are outside an area in which recreation fees are charged.
- Travel by private, noncommercial vehicle, boat, or aircraft over any road, highway, waterway, or airway to any land in which the person traveling has a property right, if the land is in an area in which recreation fees are charged.
- Any person who has a right of access for hunting or fishing privileges under a specific provision of law or treaty.
- Any person who is engaged in the conduct of official federal, state, tribal, or local government business.
- Special attention or extra services necessary to meet the needs of the disabled.

## N. Law Enforcement

Forest Service Manual (FSM) 2342.1, Exhibit 01, addresses the law enforcement authorities and responsibilities of concessionaires, state and local law enforcement agencies, and the Forest Service at concession campgrounds. *See* Appendix 8 of the prospectus.

## O. Other Pertinent Information

### **Condition of Trees**

The oak and pine stands within the campgrounds are mature to over-mature. During the past few years, the trees have experienced heavy damage from wind, snow, dwarf mistletoe, and sudden limb drop. Big oaks that look healthy on the exterior may contain rotten cores and can drop a heavy limb without any warning.

### **Hazard Tree Removal**

The permit holder will have to conduct pre-season inspection of the campgrounds to identify existing and potential hazards, including hazard trees. The permit holder also will be responsible for monitoring and identifying hazard trees during the operating season. After securing written approval from the authorized officer, the permit holder's financial responsibility for removing hazard trees and associated slash will not exceed 1 percent of the gross revenue generated by the concession per year. The annual operating plan will address appropriate disposal of hazard trees and slash.

## **Butane and Propane Installations**

For safety and regulatory reasons, the permit holder is not allowed to install or store bulk butane or propane.

### **III. Special Use Permit**

In exercising the rights and privileges granted by the special use permit, the permit holder must comply with all present and future federal laws and regulations and all present and future state, county, and municipal laws, regulations, and other legal requirements that apply to the permit area, to the extent they do not conflict with federal law, regulation, or policy. The Forest Service assumes no responsibility for enforcing laws, regulations, and other legal requirements that fall under the jurisdiction of other governmental entities.

#### **A. Permit Term**

The permit term will be for up to 5 years, with an option to extend the term for up to an additional 5 years at the sole discretion of the authorized officer. The decision to extend the term will depend, in part, on sustained satisfactory performance of the permit holder. Upon expiration of the permit, continuation of the permitted activity will be at the sole discretion of the authorized officer and will be subject to a competitive offering. A new prospectus will be issued during the final year of the permit term.

If the decision to select a permit holder is appealed, a permit will not be issued until the appeal has been resolved, unless operation is needed during the appeal, in which case a permit with a term of one year or less may be issued.

#### **B. Permit Holder Responsibilities**

This section highlights the requirements of the special use permit, which is contained in Appendix 10 of the prospectus. Applicants are responsible for familiarizing themselves with all permit requirements that govern the operation covered by this prospectus.

#### **Responsibility for Day-to-Day Activities**

As a general rule, the holder will be required to conduct the day-to-day activities authorized by the permit. Some, but not all, of these activities may be conducted by someone other than the permit holder, but only with the prior written approval of the authorized officer. The permit holder will continue to be responsible for compliance with all the terms of the permit.

#### **Permit Holder-Furnished Supplies and Equipment**

The permit holder will be required to provide all vehicles, equipment, and supplies necessary to operate the authorized developed recreation sites in accordance with the special use permit.

## **Holder-Furnished Vehicles**

The permit holder may not use all-terrain vehicles, motorcycles, or motorbicycles in the campgrounds. The holder may propose use of golf carts or other similar vehicles to facilitate daily maintenance of the facilities. If authorized, carts must stay on designated roads or trails while driving between sites or loops.

## **Holder Maintenance, Reconditioning, or Renovation (MRR)**

Maintenance, reconditioning, and renovation are defined in the permit (FS-2700-4h, clause IV.E.1(a), (c)). Holder MRR is defined as maintenance, reconditioning, or renovation that neither materially adds to the value of the property nor appreciably prolongs its life. The work serves only to keep the facility in an ordinary, efficient operating condition. From an accounting or tax perspective, it is work that may be expensed, but not capitalized. In fulfilling these responsibilities, the holder must obtain any licenses and certified inspections required by regulatory agencies and follow state and local laws, regulations, and ordinances and industry standards or codes applicable to the permitted operation (FS-2700-4h, clause IV.E.1(d)). The permit holder, at its expense, will be required to perform holder MRR under a holder MRR plan (FS-2700-4h, clause II.D). The holder MRR plan will describe required holder MRR and its frequency. The holder MRR plan will become part of the permit holder's annual operating plan.

## **C. Granger-Thye Fee Offset Agreement**

The federal government owns all the improvements at the developed recreation sites covered by this prospectus. Under Section 7 of the Granger-Thye (GT) Act and the terms of the permit, the permit fee may be offset in whole or in part by the value of Government maintenance, reconditioning, renovation, and improvement (MRRI) performed at the permit holder's expense. Government MRRI is defined as maintenance, reconditioning, renovation, or improvement that arrests deterioration, improves and upgrades facilities, and appreciably prolongs the life of the property. Government maintenance, reconditioning, renovation or improvement, whether performed by the holder or the Forest Service, shall be performed at the sole discretion of the authorized officer. *See* Appendix 4 of the prospectus and FS-2700-4h, clause IV.E.

All Government MRRI shall be enumerated in an annual GT fee offset agreement signed by the holder and the Forest Service in advance of the operating season (*see* Appendix 11 of the prospectus and FS-2700-4h, Appendix B). Alternatively, a multi-year fee GT fee offset agreement can be prepared for consolidated fee payments. A list of sample Government MRRI projects is included in Appendix 12 of the prospectus.

Either the holder or the Forest Service may perform GT fee offset work. This determination will be made annually. When the holder performs GT fee offset work, if it includes construction that costs more than \$2,000, it is subject to the Davis-Bacon Act and the fee offset agreement must contain Davis-Bacon Act wage provisions. Additionally, indirect costs may be offset provided the holder submits either a currently approved indirect cost rate or accounting procedures and supporting documentation to determine an indirect cost rate (*see* Appendix 13 of the prospectus).

The holder's claims for GT fee offset must be documented using the FS-2700-4h, Appendix G, Granger-Thye Fee Offset Certification Form (*see* Appendix 14 of the prospectus). This form requires the holder to itemize allowable costs incurred for an approved GT fee offset project and to certify the accuracy and completeness of claims.

When the Forest Service performs GT fee offset work, the holder will deposit fee payments into a CWFS account. The Forest Service will perform GT fee offset work under a collection agreement and offset those costs against the permit holder's annual permit fee (*see* FS-2700-4h, clause IV.E.3, and Appendix 15 of the prospectus). The Forest Service's indirect costs may be offset at the agency's approved rate. The Forest Service and the holder will agree on the work to be performed in advance of each operating season.

#### D. Insurance

##### **Liability Insurance**

The successful applicant must have liability insurance covering losses associated with the use and occupancy authorized by the permit arising from personal injury or death and third-party property damage in the minimum amount of \$500,000 for injury or death to one person per occurrence; \$1,000,000 for injury or death to more than one person per occurrence; and \$30,000 for third-party property damage per occurrence, or in the minimum amount of \$1,000,000 as a combined single limit per occurrence. Insurance policies must name the United States as an additional insured (*see* Appendix 10 of the prospectus and FS-2400-4h, clause III.I).

## IV. Applications

### A. Instructions for Submitting Applications

Applicants must submit a written application for all developed recreation site in this prospectus.

Applicants are strongly encouraged to visit the sites at least once before submitting an application (*see* Appendices 1 and 2, vicinity and area maps and maps of developed recreation sites).

The information in this prospectus is from generally reliable sources, but no warranty is made as to its accuracy. Each applicant is expected to make an independent assessment of the business opportunity offered in this prospectus.

All applications must be submitted to Allen Nicholas, Forest Supervisor, Attention: National Forests in North Carolina, 160 A Zillicoa Street, Asheville, NC 28801. Applications must be received by close of business (4:30 p.m.) on **September 12, 2016**.

Applicants must submit **five (5)** copies of their application package and supporting documents.

Please ensure that all requested information is submitted. Missing or incomplete information will result in a lower rating for the corresponding evaluation criteria.

Applications must be signed. The person signing for an entity must have authority to sign for that entity. Applicants must include their address, telephone number, facsimile number, and email address.

Corporations also must include:

- Evidence of incorporation and good standing.
- If reasonably obtainable, the name and address of each shareholder owning 3 percent or more of the corporation's shares and the number and percentage of any class of voting shares that each shareholder is authorized to vote.
- The name and address of each affiliate of the corporation.
- If an affiliate is controlled by the corporation, the number of shares and the percentage of any class of voting stock of the affiliate owned, directly or indirectly, by the corporation.
- If an affiliate controls the corporation, the number of shares and the percentage of any class of voting stock of the corporation owned, directly or indirectly, by the affiliate.

Partnerships, limited liability companies (LLCs), associations, or other unincorporated entities must submit a certified copy of the partnership agreement or other documentation establishing the entity or a certificate of good standing under the laws of the state where the entity is located.

Applicants should contact Thomas Saylor at 828-524-6441 or by email at [tsaylor@fs.fed.us](mailto:tsaylor@fs.fed.us) regarding any questions related to this prospectus.

## **B. General Terms, Qualifications, and Reservations**

All applicants have an equal opportunity to apply. Except for members of Congress, Resident Commissioners, and current Forest Service employees, any individual or entity may apply.

The Forest Service does not guarantee a profitable operation. Rather, applicants are responsible for reviewing the prospectus and making their own determination concerning business viability.

The Forest Service will select the application that offers the best value to the Government. The Forest Service reserves the right to select the successful applicant based on a trade-off between the fee to the Government and technical merit.

The Forest Service is not obligated to accept the application with the highest return to the Government.

The Forest Service reserves the right to select the successful applicant based solely on the initial application, without oral or written discussions.

The Forest Service reserves the right to reject any or all applications and to rescind the prospectus at any time before a special use permit is issued.

Any oral statement made by a representative of the Forest Service shall not modify the requirements of this prospectus. If it is determined that an error or omission has been made or additional information is required, a written amendment will be sent to each person or entity receiving a copy of this prospectus.

If there is a conflict between the terms of the prospectus and the special use permit, the terms of the permit will control.

The Forest Service is proposing a revision to FSM 2344.3 to address how passes and passports are honored in the concession program. The agency reserves the right to amend the special use permit consistent with any change to that directive. In addition, the Forest Service reserves the right to amend the special use permit to make it consistent with applicable laws and regulations, including REA; other Forest Service directives; or other management decisions.

The information contained in applications will be kept confidential to the extent permitted under the Freedom of Information Act (5 U.S.C. 552) and the Privacy Act (5 U.S.C. 552a).

### C. Application Package Requirements

Applications must be in writing and must include or address the following:

- A proposed annual operating plan (including required and optional services).
- A business plan, business experience, references, and Small Business Development Center (SBDC) review fee, if applicable (*see* section IV.C.2).
- Financial resources.
- Fees charged to the public.
- Fee to the government.

#### 1. Proposed Annual Operating Plan (Including Required and Optional Services)

Applicants must submit a proposed annual operating plan that addresses all required and optional services. Applicants must utilize the sample annual operating plan (*see* Appendix 9 of the prospectus) to organize their response to this section. The successful applicant's proposed operating plan will be attached to and become a part of the special use permit.

Applicants must specify whether another party will assist with any of the operational aspects of the concession, and if so, must include the other party's name, address, telephone number, email address, and relevant experience.

Below are highlights of what needs to be addressed in the proposed annual operating plan. For more detail, see the sample annual operating plan in Appendix 9 of the prospectus.

#### **Operating Season**

The minimum operating season is April 1 – October 31.

Applicants need to propose the period in which they will operate the sites listed in the prospectus. All sites must be open and operational seven days per week during the minimum operating season, unless a Forest Service closure order is in effect.

### **Staffing**

Applicants must address appropriate staffing to meet customer service and cleanliness standards. The holder will be responsible for furnishing all personnel for the developed recreation sites and for adequately training and supervising their activities under the terms of the permit. The holder must meet requirements of federal and state laws governing employment, wages, and worker safety. Based on past experience, recommended staffing is outlined in Appendix 9 of the prospectus. Applicants should address worker hours and schedules. Applicants also should address staff training for effective customer service, conflict resolution, area-specific emergency procedures, and dissemination of recreation and tourism information.

### **Supervision and Management**

Applicants must designate an individual to serve as the agent of the holder for purposes of administration of the permit by the Forest Service. The designated agent must periodically review attendant performance on site and must be available to resolve repair needs within 24 hours of discovery or notification. The holder will be responsible for the conduct of its employees, including preventing conduct prohibited by 36 CFR part 261, Subpart A, and ensuring that employees are not under the influence of intoxicating beverages or narcotic drugs while on duty or representing the holder. Applicants also must include a policy for removing employees who engage in inappropriate conduct.

### **Uniforms and Vehicle Identification**

Applicants should describe employee uniforms, insignia, name tags, and the applicants' policy for ensuring a clean, professional appearance by staff while on duty. The holder's employees may not wear any component of the Forest Service uniform. Additionally, applicants should address their policy for vehicle maintenance and appearance; types of vehicles to be used for operations (vehicles may not be driven off designated roads or trails); and signage to identify the concessionaire to the public.

## **2. Business Plan, Business Experience, and References**

Applicants must submit a business plan utilizing the format in Appendix 16 of the prospectus. This part of the application package must be a separate document. The business plan provides a thorough analysis of an applicant's vision of the proposed business. A good business plan is essential for running a successful business, maintaining and improving the business, and raising needed capital.

Applicants must furnish a detailed description of their experience relating to operating and maintaining developed recreation sites (*e.g.*, campgrounds, beaches, and marinas). The description must include experience in private business, public service, or any nonprofit or other related enterprises. Applicants are encouraged to contact their local SBDC if they need assistance in completing their business plans. Alternatively, applicants who have already

received a review of their business plan from an SBDC or the Forest Service for the current fiscal year may submit a copy of the review report.

### **SBDC Review**

All business plans will be independently reviewed by an SBDC. Applicants are required to submit three (3) copies of their business plan. If an applicant's current fiscal year business plan has already been reviewed by an SBDC, the applicant may submit a copy of the review report.

### **Performance Evaluations**

Applicants who have experience in managing Forest Service or other Government concessions must provide copies of the most recent annual written performance evaluations for each Forest Service or other concession the applicants have operated or are operating.

### **References**

Applicants also must furnish three business references with names, addresses, telephone numbers, and email addresses in support of relevant business experience. These references will be contacted for information regarding applicants' past performance. In addition, the Forest Service may consider past performance information from other sources.

### **3. Financial Resources**

Applicants must submit a complete set of all financial statements for the last three fiscal years that have been audited, reviewed, or compiled by a certified public accountant (CPA). For any financial statements that were only compiled by a CPA, applicants must complete FS-6500-24, Financial Statement (*see* Appendix 17 of the prospectus) for certification of the accuracy of the financial statements.

Applicants must complete FS-6500-24 for any of the last three fiscal years they were in business for which a financial statement was not audited, reviewed, or compiled by a CPA. An applicant who has had a financial ability determination (FAD) conducted within the past year should include a statement to that effect along with the forest name, contact name and telephone number. Additionally, applicants must identify any pending applications or new permits obtained from the Forest Service since the FAD was completed.

In completing FS-6500-24, LLCs must list the name of the company in block 1, the names and interests of the principals in block 5, and their members should be listed in block 6. In addition, LLCs must complete the certification in Part (D)(1) of FS-6500-24.

An applicant who has not been in business for the last three fiscal years, and therefore cannot submit audited, reviewed, or compiled financial statements or an FS-6500-24, must submit three fiscal years of projected financial statements compiled by a CPA using the forecast method.

Any financial information submitted by applicants must conform to generally accepted accounting principles (GAAP) or other comprehensive bases of accounting. Any previously

prepared financial documents that are submitted must be unredacted and in their original form, including footnotes.

Applicants must show at least 25 percent of the first year's operating costs in liquid assets. Liquid assets are assets that are readily converted into cash.

Applicants also must complete blocks 1 through 5 of form FS-6500-25, Request for Verification (*see* Appendix 18 of the prospectus) and submit the signed and dated form with the application. The Forest Service will forward the FS-6500-25 for the most qualified applicant to the Albuquerque Service Center for processing. The auditor assigned to conduct the FAD will send a copy to each financial institution with which the applicant does business. The financial institutions must complete blocks 6 through 15 of the form and mail the completed form to USDA Forest Service, Albuquerque Service Center Attention: Anthony Lo, 101 B Sun Avenue NE, Albuquerque, NM 87109.

#### **4. Fees Charged to the Public**

Applicants must provide a list of all fees they propose to charge to the public for the first three years of operation, including fees for required and optional services (*see* Appendix 9, Sample Annual Operating Plan, for a list of required and optional services). Discuss any variable pricing, discounts, and passes. All proposed fees to be charged to the public also must be included in the business plan as an income item.

The Forest Service reserves the right to regulate the rates charged to the public.

#### **5. Fee to the Government**

The Government is obligated to obtain fair market value for the use of its land and improvements. The minimum fee is \$985.90 per year. The minimum fee is the concession's average gross revenue for the past three years multiplied by the current 30-year Treasury bond rate. The minimum fee will be adjusted at the end of the first five years of the permit term if the permit is extended for five years.

#### **Minimum Fee Calculation**

<u>Year</u>	<u>Gross Revenue</u>
2013.....	\$37,493.00
2014.....	\$40,439.00
2015.....	\$43,292.00
Total	\$121,224.00

Total gross revenue ÷ 3 = average gross revenue

\$121,224.00 ÷ 3 = \$40,408.00

Average gross revenue multiplied by the current 30-year Treasury bond rate = the minimum annual fee. In the following example, the 30-year Treasury bond rate is 2.32 percent.

$\$40,408.00 \times 0.0232 = \$937.47$  minimum annual fee

Applicants may propose a fee below the minimum, provided they can document why this amount represents fair market value. However, the Forest Service may reject the proposed fee if the agency determines that it does not reflect fair market value.

Applicants must propose the fee to the Government as a percentage of the concession's adjusted gross revenue. One percentage may be proposed for the entire permit term, or the percentage may vary each year. However, if a consolidated fee payment will be proposed, one percentage rate must be proposed for the entire period of consolidated payments.

The proposed fee to the Government also must be included in the business plan as an expense item in the cash flow projections.

The fee to the Government may be offset in whole or in part by the value of Government MRRI, performed at the permit holder's expense in accordance with a GT fee offset agreement (*see* section III of the prospectus).

## **6. Application Fee**

### **Cost Recovery**

Applications submitted in response to this prospectus are subject to cost recovery pursuant to 36 CFR 251.58(c)(1)(ii) and (c)(3)(iii). Applicants must submit a processing fee of **\$0.00** to cover the cost of the prospectus and review of the application. Payments due the United States for this application must be paid in the form of a bank draft, money order, or cashier's check payable to the USDA-Forest Service. Payments will be credited on the date received by the designated Forest Service collection officer or deposit location. Additionally, the selected applicant will be responsible for the costs of preparing and issuing the permit and conducting a FAD, unless the Forest Service has conducted a FAD for the applicant within the past year. If a FAD has been completed for the applicant within the last 12 months, the applicant will be responsible for the cost of adjusting it to reflect any change this selection will have on the applicant's financial ability.

### **D. Evaluation of Applications**

A Forest Service evaluation panel will evaluate each application utilizing the non-fixed weight method.

**The following evaluation criteria are listed in descending order of importance:**

1. Proposed annual operating plan (including required and optional sites).
2. Business plan, business experience, and references.
3. Financial resources.

4. Fees charged to the public for all existing and optional sites.
5. Fee to the Government.

In terms of importance, criteria 1 & 2 will be considered more important than criteria 3-5. The following are the qualitative factors for each criterion:

Exceeds - The proposal is very comprehensive, in-depth, clear and uniformly outstanding in quality. Consistently high quality performance can be expected. The proposal, as written, exceeds requirements and demonstrates an exceptional understanding of goals and objectives of the acquisition. One or more major strengths exist. No significant weaknesses exist.

Acceptable - The proposal meets all minimum requirements and generally is of high quality. Proposal demonstrates an acceptable understanding of goals and objectives of the acquisition. There may be both strengths and weaknesses, but the strengths outweigh the weaknesses. Deficiencies are minor and easily corrected. Proposal is acceptable as written. Satisfactory performance can be expected.

Marginal - The proposal fails to meet minimum requirements. Proposal demonstrates a fair understanding of the goals and objectives of the acquisition. Weaknesses outweigh any strengths that exist. Weaknesses will be difficult to correct and would require negotiations.

Unacceptable - The proposal fails to meet minimum requirements. Proposal fails to meet an understanding of the goals and objectives of the acquisition. The proposal has one or more significant weaknesses that will be very difficult or impossible to correct. Major proposal revision(s) are required for minimum acceptability.

The Forest Service will consider only the applicant's written application package and any past performance information obtained by the Forest Service. During the evaluation process, the evaluation panel may contact any references, including all federal, state, and local entities that have had a business relationship with the applicant. The evaluation panel also may consider past performance information from other sources.

The evaluation panel will make a recommendation to the authorized officer as to which applicant offers the best value to the Government. The authorized officer will make the selection decision. All applicants will be notified of the successful applicant via certified mail.

The Forest Service will conduct a FAD on the selected applicant as a prerequisite to issuing a special use permit, unless the agency has a current fiscal year FAD conducted by the Albuquerque Service Center or SBDC for another Forest Service unit.

The Forest Service reserves the right to reject any and all applications.

The Forest Service reserves the right to rescind the prospectus at any time before a special use permit is issued. If the Forest Service rescinds the prospectus, application fees will be returned.

## **V. Post-Selection Requirements**

Once an applicant has been selected, the following information must be submitted and approved by the Forest Service prior to issuance of a special use permit:

- A final annual operating plan containing all the items included in the annual operating plan submitted in response to the prospectus.
- An annual GT fee offset agreement.
- Documentation of required liability insurance and, if applicable, property insurance.
- Documentation of bonding, if applicable.
- Required deposits and advance payments (*see* Appendix 10 of the prospectus and FS-2700-4h, clause IV.C.1).
- Documentation that utility services have been obtained in the name of the selected applicant.
- A state business license and any other required federal, state, or local certifications or licenses.

The successful applicant will be required to submit all these items within 30 days of the date of the selection letter. If these requirements are not met within the 30-day period, a special use permit will not be issued. The applicant who receives the next-highest rating may then be selected for the special use permit, subject to the same requirements.

### **Burden and Non-Discrimination Statement**

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0082. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice). USDA is an equal opportunity provider and employer.

The Privacy Act of 1974 (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552) govern the confidentiality to be provided for information received by the Forest Service.