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# Prospectus for Granger-Thye Concessions: Operation and Maintenance of Round Hill Pines Resort

Lake Tahoe Basin Management Unit

Solicited on December 18, 2012



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Granger-Thye Concessions:  
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**U.S. Forest Service  
Lake Tahoe Basin Management Unit  
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# CHAPTER 1 | Business Opportunity

## 1.1 Introduction

This prospectus is being issued to solicit applications to reconstruct and operate a Government-owned resort and marina on the Lake Tahoe Basin Management Unit to provide high-quality public service. The use will be authorized under a special use permit with a term of up to 30 years. The permit will include the following developed site:

Round Hill Pines Resort (located in Zephyr Cove, Nevada)

The Authorized Officer for this business opportunity is:

Nancy J. Gibson, Forest Supervisor  
Lake Tahoe Basin Management Unit  
35 College Drive  
South Lake Tahoe, CA 96150

The current permit for this concession expires on December 31, 2013. Over the past three years, this concession has generated the following gross revenues:

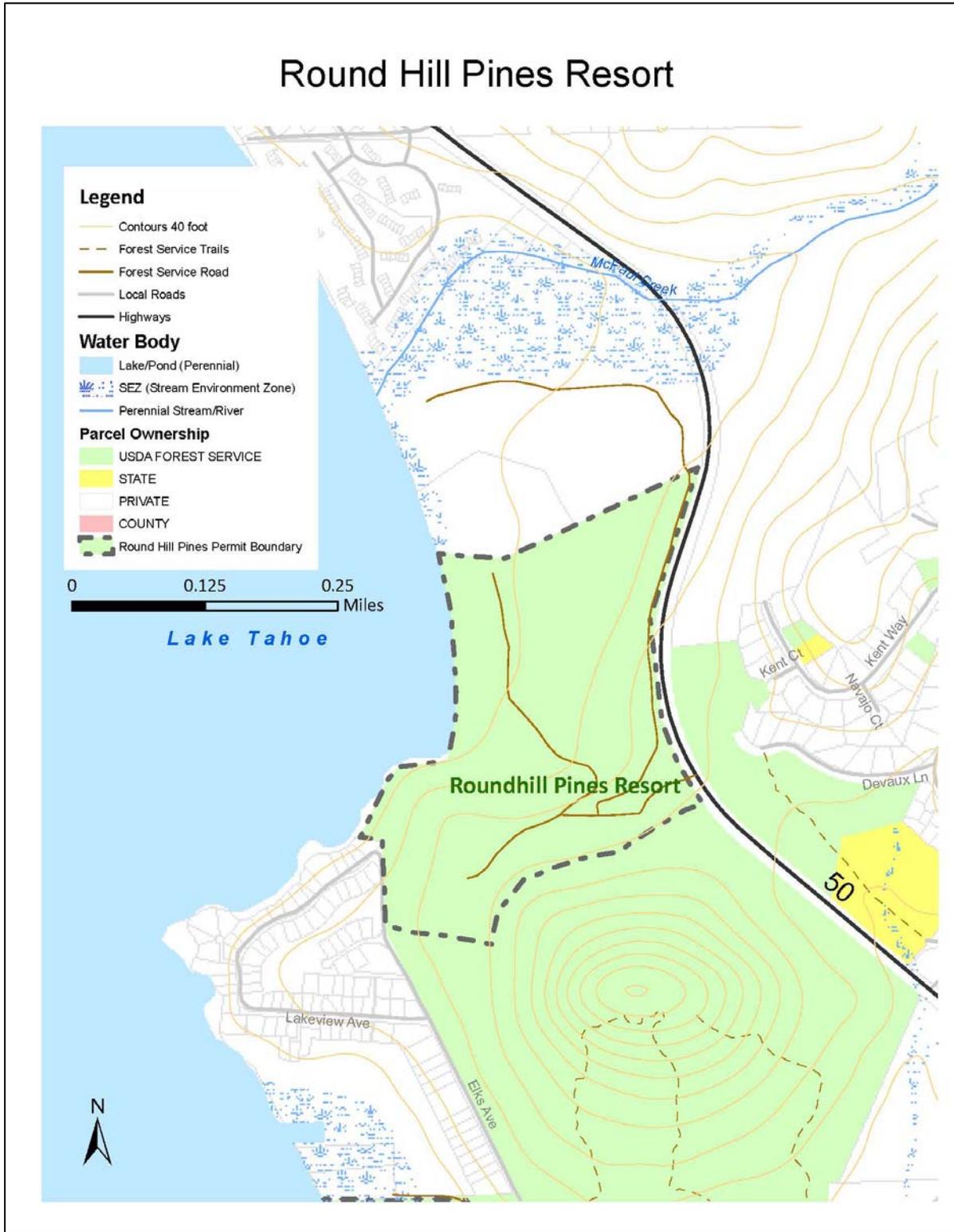
<u>YEAR</u>	<u>GROSS REVENUE</u>
2009	\$1,753,892
2010	\$1,701,738
2011	\$1,686,011

The Forest Service anticipates that revenue for a reconstructed resort will be higher.

## 1.2 Area Description

The offered recreation site, Round Hill Pines Resort, is located in Douglas County, Nevada along the eastern shore of Lake Tahoe, off of U.S. Highway 50. World-renowned for its cobalt-blue waters and record depth, Lake Tahoe straddles the California-Nevada border at an average elevation of 6,225 feet. The lake occupies about one-third of a heavily-forested basin nestled in the heart of the Sierra Nevada mountain range. The U.S. Forest Service Lake Tahoe Basin Management Unit (LTBMU) administers nearly 80 percent of the land surrounding the lake and provides some of the finest recreation opportunities in the country.

FIGURE 1: Round Hill Pines Resort, Douglas County, Nevada.



BUSINESS OPPORTUNITY

Frequently referred to as “America’s year-round playground,” the Lake Tahoe region enjoys an international reputation as a popular recreation destination, hosting approximately 5.7 million visitors annually (U.S. Forest Service National Visitor Use Monitoring Report 2010). Due to their proximity to the lake, the San Francisco Bay Area and Central Valley serve as primary sources of visitation from the western slope of the Sierra Nevada while urban population centers such as Reno and Carson City generate the majority of visitors originating on the eastern slope of the mountain range. The greater San Francisco metropolitan area lies within a 3-hour drive, Sacramento can be reached in fewer than 2 hours, and Reno and Carson City are less than an hour’s drive from the basin. Two major interstates—U.S. Highways 50 and 80—facilitate this visitation by providing year-round access to the area, along with Nevada State Routes 28 and 206, and California State Highways 88 and 89.

The broad diversity of year-round recreational opportunities available in the Lake Tahoe Basin helps draw this significant visitor base. Camping, hiking, mountain biking, and a wide variety of beach and water sports are among the most popular summertime activities. Other opportunities include backpacking, horseback riding, cycle touring, fishing, boating, golfing, and wildlife viewing. During the winter months, visitors can choose from several downhill ski resorts within an hour’s drive of the south shore along with miles of groomed cross-country ski and over-the-snow (OSV) trails. On the Nevada side of the basin, a variety of casinos provide world-class entertainment, gaming, restaurants, clubs, concerts, and shows just a few miles from Round Hill Pines.

In addition to the wide assortment of recreational activities on offer, the Lake Tahoe region enjoys a varied climate with relatively dry, mild summers and comparatively wet winters. In July and August, the average high temperature is 75 degrees Fahrenheit, with evening lows dipping down to the 40s. Afternoon thunderstorms can be a regular occurrence in the summer but bring little in the way of precipitation to the basin. In contrast, wintertime temperatures range from lows in the single digits to highs in the 30s and 40s. While the mean annual precipitation is typically 35 inches, much occurs during the winter months in the form of snow. Snowfall accumulation averages around eight feet at lake level but can be as high as 30 feet on the mountain peaks. Despite the heavy snowfall, however, the region boasts an average of 330 sunny days a year.

### **1.3 Description of Developed Recreation Site and Facilities**

**T**he recreation site offered in this solicitation, Round Hill Pines Resort, sits just off U.S. Highway 50 near Zephyr Cove, Nevada. Approximately a 15-minute drive from the community of South Lake Tahoe and a 30-minute drive from Carson City, Nevada, the resort is popular with both Californians and Nevadans. As one of only a few opportunities for public beach access along Lake Tahoe’s eastern shoreline, it receives a sizeable amount of visitation. A typical summer weekend may see as many as 600 visitors at any one time enjoying the resort during peak hours and as many as 1,300 visitors in one day.

The property can be accessed via a paved National Forest System (NFS) road from the west side of U.S. Highway 50. The Forest Service has identified an opportunity to reconfigure the current highway entrance to the resort because of its precarious location. At present, vehicles in the eastbound lane are required to make an unprotected left-hand turn across two lanes of oncoming interstate traffic.

### 1.3.1 Existing Conditions

#### *General Site Layout and Improvements*

The 50-acre parcel being offered as part of this solicitation can be separated into two distinct areas of opportunity: the beachfront and the upper interior portion of the permit boundary. The beachfront comprises the primary permit area and current focus for the majority of visitor activity. It features a variety of amenities and improvements including:

- 1,600 linear feet of sandy beach;
- Forest Service access road;
- Approximately 200 parking spaces with additional overflow parking available;
- 2,100 sq. ft. clay tennis court;
- 700 sq. ft. outdoor heated swimming pool;
- Open-air bar with deck seating area;
- Wedding gazebo (privately owned);
- Food and beverage stand (“snack bar”);
- Restrooms (3 women’s toilets; 1 men’s toilet with 2 urinals);
- Picnic and BBQ area;
- Charter boat tour operations (privately owned); and
- Pier and buoys (floating section of pier and buoys are privately owned).

Appendix C provides an inventory of government-owned buildings and infrastructure located within the permit boundary. Please note that the wedding gazebo, buoys, and charter boat mentioned above are privately-owned improvements and not included in this offering.

#### *Pier and Mooring Field*

The site includes a pier comprised of two sections: A main 308-foot segment capable of accommodating multiple vessels and an additional 139-foot segment that sits perpendicular to the primary structure. This latter section is unsafe for use in its current condition but future rehabilitation projects may address its replacement. Plans are underway for reconstruction and upgrades of the main segment of the pier beginning December 2012 through May 2013, and may include installation of water and electrical service as well as an emergency fire suppression system. (Please refer to “Final Design Calculation for Round Hill Pines Pier Replacement” report prepared by Auerbach Engineering Corporation (January 2012) for specifications on vessel loads and profile limits. This report can be made available upon request.) There may be a need to perform future site remediation associated with a historic fuel line leading to the pier. If required, costs associated with remediation may be eligible for fee offset.

A large mooring field is located on either side of the pier structure and features 70 privately-owned buoys permitted by Nevada State Division of Lands. Property of the current permit holder, these are

available for rent to the public under the current authorization. Additionally, a floating section of pier located on the south side of the main pier structure is owned by the current permit holder.

### *Historic Structures*

The secondary, underutilized section of the permit area is located above the beach in the interior along the northern side of Round Hill mound. This interior portion, referred to as the upper cabin complex (UCC), consists of an assortment of cabins, lodge, and several outbuildings dating from the first half of the twentieth century that overlook Lake Tahoe (see Appendix C for a complete inventory of these structures with images). One structure, referred to as the Ice House, is currently used for storage. Although the complex was considered eligible for listing on the National Register of Historic Places by the Forest Service in 2002, 14 of the original 28 buildings were identified for decommissioning and demolished by the Agency. In a letter dated August 10, 2004, the Nevada State Historic Preservation Office (SHPO) concurred with the Forest Service's findings that these 14 buildings "lack sufficient integrity to be contributing elements to the district" and as such accepted the Agency's decision to decommission and demolish these structures.

To date, the Forest Service has not completed the necessary environmental reviews (the level of which is still to be determined) to analyze and implement decommissioning of the remaining historic structures on the property. As a result, due to the current unsafe condition of the buildings, this area has served as vehicle and boat trailer storage as well as overflow parking on busy weekends for the current permit holder.

At present, no electric, sewer, or water service exists within this section of the permit boundary. Primary power, sewer mains, and water mains, however, exist within the larger permit boundary.

### **1.3.2 Non-Forest Service Facilities On Site**

The Round Hill General Improvement District (GID) holds several easements within the permit boundary for access to GID infrastructure, which includes a 1,040 square foot water treatment station located on the southwest corner of the property authorized under a separate special use permit. One of these easements grants interest to the GID in the Forest Service road accessing the resort. At present, the Agency is working on a cooperative road use agreement with Round Hill GID to establish maintenance responsibilities for the road. The successful bid applicant is expected to maintain a professional, cooperative working relationship with the GID, facilitated by the Forest Service.

The Forest Service has approved construction of the Stateline-to-Stateline Bike Path, which is envisioned to run from the California-Nevada Stateline at Highway 50, terminating at Round Hill Pines Resort in CY2013. The trail will transect the southwestern end of Round Hill Pines Resort's permit boundary, running in an east/northeast direction.

## **1.4 Description of Current Operations**

### *Business Model*

The current permit holder does not offer any overnight accommodation but rather provides day-use recreation opportunities as a beach and marina operation. As a result, most revenue originates from day use fees, buoy mooring rentals, special event hosting, and recreational activities provided by sublessors (e.g., parasailing, fishing guides, etc.). Ancillary revenue comes from retail sales, equipment rentals, and other for-fee services. In addition, the Tahoe Bleu Wave yacht (owned and

operated by Lake Tahoe Boat Company, LLC) attracts a substantial customer base, offering a unique charter tour experience as well as serving as a popular special event venue (wedding parties, groups, etc.). A sublessor based out of the resort, the yacht's owner-operator has developed promotional opportunities with the local casinos and ski areas, some of which offer free shuttle rides to Round Hill Pines Resort for hotel guests who wish to participate in Bleu Wave tours.

Flexibility to continue the operation as a day-use recreation site or expand it to include short-term public overnight accommodations exists under this solicitation and will be discussed in Section 1.6.3.

### *Season of Operation*

The average operating season for the resort begins in May and runs through mid-October, weather permitting. Although the resort's primary period of use occurs in the summer due to its beach-oriented nature, it does offer limited recreation opportunities to the public in the winter months. The current permit holder operates a charter boat service through the off-season (generally December 1 to May 15) via a sublease agreement.

## **1.5 Site Vision and Development Objectives**

**R**ound Hill Pines Resort remains a popular beach destination for families and local residents on the eastern shore of Lake Tahoe. Considered a remnant of "Old Tahoe," the site continues to draw repeat visitors in search of a relaxed family-oriented recreation experience. In some cases, summer visits to the resort represent a multi-generational tradition among local and out-of-town families. Recognizing the importance to the visiting public and the local community of maintaining site character, the Forest Service would like to see the resort's relaxed family atmosphere persist under the new special use permit while continuing to provide a diversity of recreation opportunities for all visitors. Furthermore, the forthcoming arrival of the Stateline-to-Stateline Bike Path at Round Hill Pines Resort, anticipated in 2013, will noticeably alter the current use patterns of the site by bringing additional visitation via alternative transit. Proponents should consider the Lake Tahoe Basin recreation market when developing a business plan for the resort.

While the current operation offers day use and beach-oriented opportunities only, proposals are not precluded from the possibility of expanding opportunities at this location to include short-term public overnight accommodations (up to 30 days) and wintertime activities. The Forest Service encourages respondents to propose their own unique vision for short-term public overnight accommodations and winter offerings at the resort when submitting bids on this prospectus.

### **1.5.1 Upper Cabin Complex Portion of the Permit Boundary**

Currently, only the day use portion of the permit area is actively utilized in support of resort operations. The upper cabin complex (UCC) of the permit boundary must be incorporated into resort operations. Due to the historic eligibility of the UCC, it is expected that mothballing of the existing structures and accommodation of passive visitor use within this area of the permit boundary will occur in the first year of operation. Mothballing standards have been established by the Secretary of Interior and are identified in Appendix X. Appendix X also identifies each structure and the mothballing measures that will be required. In addition, it is expected that historical interpretation of the UCC will be accomplished within the first two years of operation (unless the proponent plans to redevelop or replace existing structures as described below).

This solicitation requires proponents to describe the future intended use of the upper cabin complex portion of the permit boundary within their bid. Specifically, bids must do one of the following:

1. Propose reutilization of the upper cabin complex area (this may include activities that utilize existing structures for equipment rentals, restaurant and/or food service, overnight accommodations, etc.). May include partial or complete reutilization;
2. Propose redevelopment of the upper cabin complex area (this may include partial or complete redevelopment/replacement of existing structures); or
3. Maintain mothballing of existing structures per standards identified by the Secretary of Interior (see Appendix X). Mothballing must include historical interpretation of the existing structures and accommodate passive visitor use through the site.

If a bid proposes to use some but not all of the existing buildings in the UCC, it must include provisions for mothballing any remaining structures not proposed for use. Mothballing as outlined in Appendix X must be accomplished within the first year of the new special use permit.

Proposals are considered conceptual in nature until completion of National Environmental Policy Act (NEPA) analysis, which includes historic evaluation and consultation with the Nevada State Historic Preservation Office. Bid selection does not constitute a final agency decision in the context of NEPA. The NEPA process will require development of alternatives and a public scoping process. Reutilization or redevelopment of the upper cabin complex area will be evaluated as a component of the overall business plan. For more information on evaluation criteria, please see Chapter 4.

In addition, proponents must ensure their conceptual proposals for this section of the resort dovetail with the recreation opportunities provided by the Stateline-to-Stateline Bike Path, scheduled to terminate at Round Hill Pines in 2013. For additional information on the Stateline-to-Stateline Bike Path project, please see “Nevada Stateline-to-Stateline Bikeway Project Feasibility Study Report,” jointly produced in December 2010 by the Tahoe Regional Planning Agency and Tahoe Transportation District. This report is available at <http://nvtahoebikeway.com/> at the “document library” link.

### **1.5.2 Services**

The Forest Service anticipates the new permit holder will continue to offer services and activities commensurate with what is primarily a day use, beach-oriented operation. The resort’s location and its 1,600 feet of sandy beach offer an ideal setting for activities such as boating, water sport rentals, swimming, sunbathing, picnicking, weddings, and special events. While the Forest Service will require continuation of some services, others are considered optional and are defined below.

#### ***Required Services***

- Sanitation (trash removal using bear-resistant containers and restroom facilities)
- Managed parking
- Food and beverage service
- Security (including additional security services during holidays, busy weekends, and special events; see Appendix H for more information)

### *Optional Services*

- Marina services (mooring field, boat rentals, or other services)
- Water sport rentals
- Boat tours
- Bicycle rentals
- Parasailing
- Conference hosting
- Short-term public overnight accommodations
- Weddings and special event hosting
- Retail space
- Outfitter-guide services
- Other services may be considered on a case-by-case basis

### **1.5.3 Facilities**

Since acquiring the land in 1984, the Forest Service has issued a series of short-term special use permits, resulting in little financial investment in infrastructure or long-term planning efforts at the resort. The pier, scheduled for replacement in December 2012, remains the sole exception to this condition. Furthermore, the current business model—a large percentage of revenue based on day use fees—limits the resort’s ability to generate the sizeable revenue stream necessary for facility upkeep and replacement.

Existing facilities at Round Hill Pines are characterized by significant levels of deferred maintenance and will require substantial investment to meet accessibility and current building code as well as Forest Service aesthetic and design values. Applicants are strongly encouraged to consider demolishing and replacing existing facilities in the day use area with new infrastructure as part of the proposed business plan (with the exception of the new pier). Construction of new facilities proposed as part of this bid solicitation could address development of potential business opportunities such as:

- Short-term public overnight accommodations
- Expanded food and beverage service
- Conference center
- Bicycle rentals

Because the Forest Service would like to see a complete overhaul of on-the-ground improvements in the day use area, opportunities abound for reconfiguration of the resort’s existing facilities. In developing proposals to address facilities at this location, however, proponents must take into consideration current Forest Service direction on facility design and maintenance. Specifically, the Agency would like to see deferred maintenance needs eliminated and existing improvements replaced

with sustainable, low-maintenance high quality infrastructure. Proponents must demonstrate in their business plans how they would address future maintenance costs and replacement of existing and/or proposed facilities (e.g., facility life cycle maintenance plan).

Replacement facilities constructed during the term of this permit will become property of the Government. In addition, please note that if during the term of this permit, any Government-owned improvements are altered or replaced in any way, the material, equipment, fixtures or other appurtenances that are affixed to or made a part of those improvements in connection with the alteration shall become the property of the United States, regardless of whether the work is performed by the holder or any other party. The holder shall not be entitled to any compensation for that property, other than to the extent it qualifies for fee offset.

The following list defines what facility improvements the Forest Service requires and which are considered optional bid items.

### ***Required Facility Improvements***

- For proposals that include demolition and/or replacement of day use facilities, new infrastructure adjacent to beachfront will be sustainably built, low-maintenance facilities (this includes decommissioning existing snack shack, bar, open-air deck, etc.). These must be designed to meet current Forest Service Built Environment Image Guidelines (<http://www.fs.fed.us/recreation/programs/beig/>).
- New restroom facilities that are compliant with the Architectural Barriers Act of 1968, as amended (ABA) with capacity sufficient to accommodate the anticipated rise in visitation from the Stateline-to-Stateline Bike Path. See Forest Service Manual (FSM) 2333.51 on direction regarding what is considered “sufficient” toilet facilities based on occupancy and use.
- Reutilization, redevelopment, or mothballing the upper cabin complex of the permit area. See Section 1.5.1.
- Bring parking lot up to current water quality protection best management practice (BMP) standards, including improved designation of parking spaces and better delineation of overflow parking areas to accommodate high traffic holiday weekends. As with any improvement, parking must comply with current accessibility regulations.
- Bid-dependent utilities (electric, water, and sewer) brought up to code.

### ***Optional Facility Improvements***

- Expanded parking area.
- Conversion or replacement of swimming pool.
- Conversion or replacement of tennis courts.
- Conversion or replacement of additional existing elements or infrastructure may be considered.
- Addition of a foot-wash and/or outdoor shower station for beach goers.

### *Fuel Storage and Fueling Service Restrictions*

With the exception of 30-gallon fuel caddies for fueling resort-owned water vessels, no commercial fuel service is available nor will be authorized on the pier. Continued use of the existing above ground storage tank (AST), which is privately owned, for fuel storage at the resort may be authorized if the new permit holder brings existing facility up to current code. The AST will not be government-owned and the cost to bring it up to current code will be borne by the holder. At the conclusion of the term of the permit, this AST must be removed by the holder. No below-ground fuel storage tanks will be authorized.

#### **1.5.4 Operating Season**

When defining the site's operating season, proposals should capitalize on the resort's primary focus—public beach access—while identifying opportunities for expansion of recreation activities. The Forest Service may entertain the continuation of boat tours beyond the summer season in bid proposals as well as the addition of other recreation opportunities such as guided activities, sledding, and/or expanded food and beverage service in the wintertime.

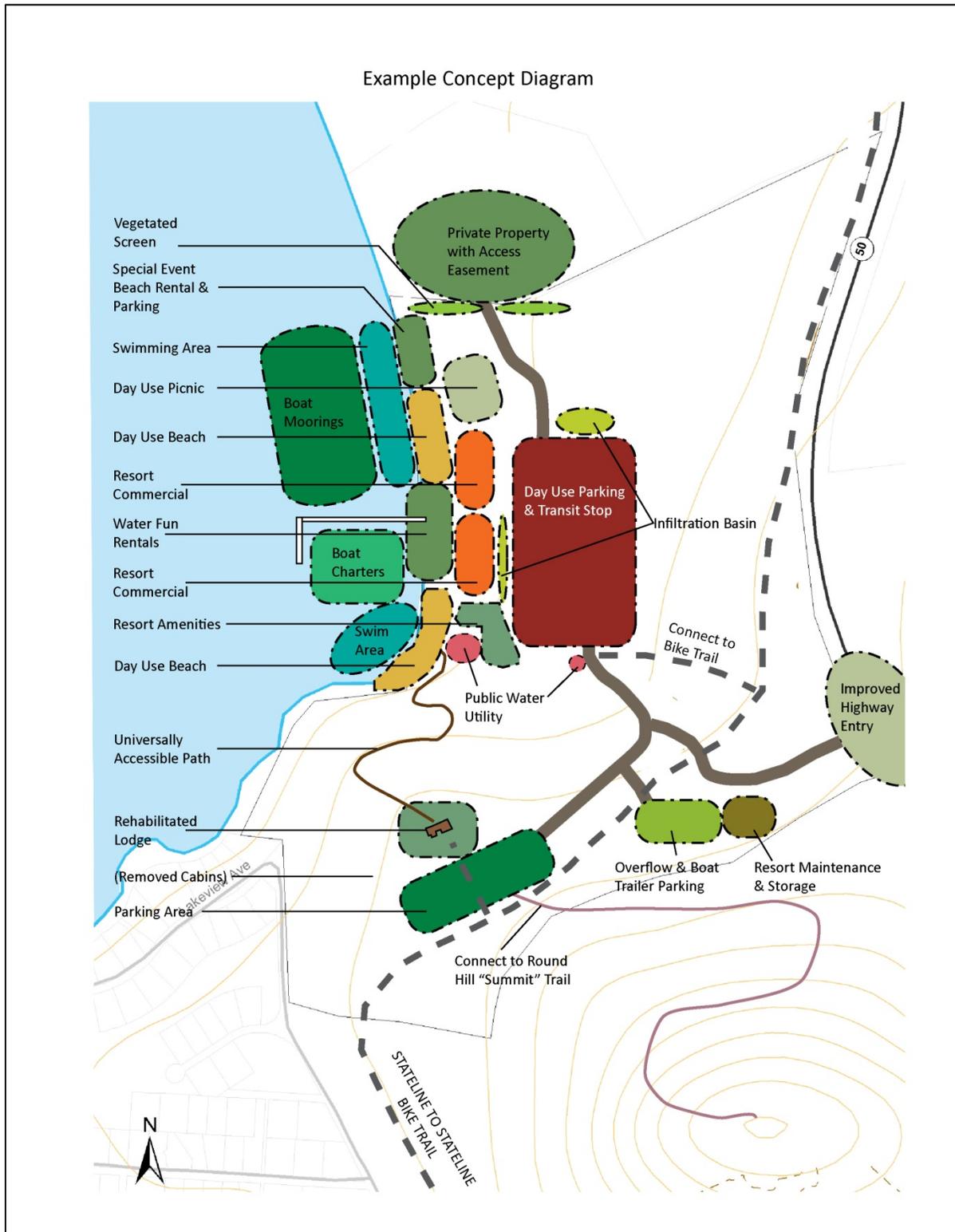
#### **1.5.5 Conceptual Site Plan**

Proposals must include a conceptual site plan that considers appropriate size and zoning for specific infrastructure and services. In Figure 2 below, the Forest Service has provided an example of what a site plan might look like. This example is merely hypothetical in nature; it serves as an example of just one of many possibilities for future development objectives at Round Hill Pines Resort.

When developing a conceptual site plan, proponents should keep the following in mind: Maintaining the site's day use objectives should not preclude consideration of overnight use. The Forest Service may support limited development of short-term public overnight accommodations at this recreation site.

In addition, site plans should define where proponents intend to place privately-owned improvements such as storage sheds and outbuildings as well as where certain activities or services would be located within the permit boundary (e.g., employee parking, caretaker facilities, water sport rentals, weddings, etc.).

FIGURE 2: Example of a Conceptual Site Plan.



BUSINESS OPPORTUNITY

## 1.6 Forest Service Expectations

The successful applicant will be held accountable to the level of performance outlined in his or her selected bid. Recognizing that business development objectives are closely tied to available financing, public scoping, and the environmental analysis process, the Forest Service will measure performance against a reasonable timeline. The following section outlines Agency expectations and the timeline to which the new permit holder will be expected to adhere. Failure to implement facility improvements as described and scheduled in the winning bid submission may be grounds for revocation of the special use authorization.

### 1.6.1 Level of Investment and Performance

Applicants must submit a schedule of facility improvements as part of their bid (see Appendices F and G for additional information). The schedule must describe the nature of the improvement, estimated construction cost, estimated maintenance and replacement costs, and target completion date. Proponents must schedule 100 percent of improvements in the day use area to occur within five years of approval. Proponent must also identify the source(s) of funding, where appropriate, for individual projects. For example, should a proponent propose refurbishing government-owned facilities in the upper cabin complex, he or she may identify those costs as Granger-Thye fee-offset. Additionally, identify any other sources of funding. For more information on Granger-Thye fee offset, please see Section 3.4.

Proponents must address the upper cabin complex area of the property by, at a minimum, mothballing existing structures and accommodating passive visitor use within the first year of the term of the special use permit. In addition, the proponent must accomplish historical interpretation of the existing structures within the first two years of the term of the permit (unless the proponent plans to reutilize or redevelop existing structures within the first two years). Bids that propose reutilization or redevelopment of this section of the resort must implement approved plans within five years of approval. Reutilization or redevelopment of the upper cabin complex will require NEPA analysis prior to implementation (see Section 1.5.1).

Applicants may propose to off-set future land use fees through the cost of reconstruction or improvement of government-owned facilities. Please see Section 4.3.5 for more information on fee offset as it relates to fee to Government. Assuming a 30-year special use permit is issued, the Forest Service estimates that a minimum of \$4,000,000 could be available for fee offset over a 30-year period based on the current fee to Government of eight (8) percent. Bids may propose advance fee offset work up to 50 percent of the fee due to Government over the term of the permit. For example, if a bid proposes an annual fee of 14 percent and projects estimated annual revenue of \$2 million, the advanced fee offset work may not exceed \$4.2 million. Advanced fee offset work is limited to 50 percent because future fee offset work may be needed to address other government maintenance over the term of the permit.

$$\frac{(\text{AGR}) \times (\% \text{ Fee to Government}) \times (30 \text{ years})}{2} = \$4,200,000$$

2

### *Deferred Maintenance*

Once the facility improvements outlined in the successful applicant's bid have been constructed within five years of approval, the Forest Service expects the holder to address existing deferred maintenance needs within the permit boundary. Significant deferred maintenance needs at the resort include but are not limited to road maintenance (paving, BMP upgrades, striping, etc.), additional work on the pier replacement project, and reconstruction and maintenance of vegetation fencing. When authorized under a Granger-Thye (GT) Fee Offset Agreement, GT dollars may be spent towards eliminating deferred maintenance issues but are not appropriate for holder maintenance. For a comprehensive definition of what constitutes holder vs. government maintenance, please see Appendix J, example of special use permit form FS-2700-4 and Section 3.3.4 of this prospectus.

Applicants should refer to Appendices D through G for information on planned rehabilitation projects, Forest Service maintenance standards and schedules for developed recreation sites, as well as examples of government vs. holder maintenance activities.

## **1.7 Concurrent Planning Efforts**

**R**ecreation planning efforts are dynamic and ongoing in the Lake Tahoe Basin. The Forest Service and other federal, state, and local agencies are working concurrently on a variety of planning projects that may directly or indirectly affect Round Hill Pines Resort. When proponents develop bid proposals, the following activities should be considered.

### **1.7.1 Lake Tahoe Water Trail**

A Lake Tahoe Water Trail has been proposed, which would accommodate additional day use and overnight camping by paddle enthusiasts on a limited basis around Lake Tahoe. Round Hill Pines Resort may be considered a stopover location for this trail including paddle-in short-term overnight accommodation.

### **1.7.2 Nevada Beach**

Plans are underway for construction of a 200-person outdoor pavilion suitable for group events at Nevada Beach. Implementation is expected in fall 2012. The Forest Service anticipates this new pavilion will offer opportunities for special events and group gatherings while also serving as an important hub for bike path users.

### **1.7.3 Round Hill Pines Resort**

In December 2012, the Forest Service will start reconstruction of the existing pier at the resort. Completion of construction is estimated by May 2013, prior to the start of the busy summer operating season. The project will involve replacing the first 308 feet of the structure, leaving the remaining 139-foot section for a future contract. Also at a future date, per consultation with the Nevada State Historic Preservation Office, the Forest Service is planning to restore a section of the historic rock cribbing beneath the pier. Implementation for this phase of pier reconstruction is anticipated in FY2014 or FY2015 as funding becomes available.

### **1.7.4 Stateline-to-Stateline Bike Path**

The Forest Service is working with the State of Nevada and local government on construction of the Stateline-to-Stateline Bike Path, which is envisioned to run from the California-Nevada Stateline at Highway 50, terminating at Round Hill Pines Resort in CY2013. The trail will transect the southwestern end of Round Hill Pines Resort's permit boundary, running in an east/northeast direction. Conceptual designs for the upper cabin complex must facilitate the type and level of recreational use associated with the new bike path. Long-term objectives are to provide bike path connectivity from Crystal Bay to Stateline, Nevada.

### **1.7.5 Zephyr Cove Resort**

Planning efforts are underway to replace the existing pier at Zephyr Cove, with implementation slated for FY2014. With recent removal of underground fuel storage tanks, new above-ground fueling operations will be constructed in FY2013 and FY2014.

### **1.7.6 Zephyr Shoals (Dreyfus Estate)**

The Forest Service is currently considering repurposing and/or removal of existing improvements at the Dreyfus Estate. In addition, a pedestrian hiking trail may be constructed, allowing for improved public access to the beach. The caretaker's house may be retrofitted or removed to support future special event hosting at the site. Improved day use and picnic facilities would be included in this project.

## **1.8 Government-furnished Property**

**T**he Forest Service will provide certain property in conjunction with the resort special use permit (see Appendix C). Included in the inventory found in Appendix C is a brief narrative, quantity, and condition description for each improvement. Unlike many Forest Service offerings, this inventory does not include an estimated replacement cost of the applicable property because current facilities at Round Hill Pines are characterized by significant levels of deferred maintenance and will require substantial investment to meet accessibility and current building code.

Applicants should be aware that any improvements made to or on government recreation sites by the permit holder or his/her agent become the property of the United States unless otherwise agreed to in writing. Prior to each use season, a joint inventory of the recreation site and property will be made.

## **1.9 Government-furnished Supplies**

**T**he 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 his or her expense; and
- Title VI signs.

## 1.10 Utilities and Waste Management

Certain utilities and infrastructure exist for the developed recreation site 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. Please see Appendix S for a listing of local utility providers. These utilities include:

### *Electrical*

NV Energy provides electrical service to the resort through the use of one meter.

### *Telephone and Internet*

There is telephone and internet service (wireless) available at the resort. Frontier Communications is the current provider; service will be in the name of the permit holder.

### *Propane*

Propane gas is supplied via distribution lines from Campora Propane Services.

### *Water*

Water at the resort is provided by Round Hill General Improvement District (GID).

### *Garbage*

The permit holder will be responsible for garbage removal at the resort. The previous provider was South Tahoe Refuse (Tahoe Basin Container Service).

### *Liquid and Solid Waste Disposal*

The resort’s facilities are served by the Round Hill GID sewer system.

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# CHAPTER 2 | Forest Service Concession Program and Policies

## 2.1 Introduction

**G**overnment-owned concessions are authorized by special use permits issued under Section 7 of the Granger-Thye (GT) Act, 16 USC 580d, and implementing regulations at 36 CFR Part 251, Subpart B. In addition, there are certain Forest Service programs and policies that may apply to this concession if the holder proposes to offer camping at government-owned campgrounds. All applications that propose camping must be consistent with these requirements as provided in sections 2.1 through 2.15.

## 2.2 National Recreation Reservation Service

**W**hile camping is an activity not currently provided at Round Hill Pines Resort, it may be considered as an authorized activity under the new permit. In the event camping becomes an authorized activity at the resort, camping reservations must adhere to the following requirements under the National Recreation Reservation Service (NRRS).

The Lake Tahoe Basin Management Unit participates in the NRRS, which provides nationwide, toll-free telephone and internet-based reservations for single-family or group camping sites 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 NRRS 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 NRRS follows:

John Cameron  
Forest Service Contracting Officer's Technical Representative  
(850) 523-8589  
[jhcameron@fs.fed.us](mailto:jhcameron@fs.fed.us)

Reserve America, Inc.  
2480 Meadowvale Boulevard, Suite 120  
Mississauga, Ontario  
CANADA L5N 8M6  
Inventory Help Desk: (877) 345-6777  
Customer Service: (888) 448-1474  
[nrrs-inventory@reserveamerica.com](mailto:nrrs-inventory@reserveamerica.com)  
(888) 742-5520 (fax)

The NRRS is the only authorized reservation system for Forest Service campgrounds. The Forest Service contract for the NRRS prohibits 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 NRRS 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 240 to 4 days prior to arrival date.
- Group use areas: from 360 to 4 days prior to arrival date.

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 an Interagency Senior or Access 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 2.3).
- 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 NRRS is currently accepting reservations for the [N/A] operating season. Fees received by the NRRS for reservations after December 31, [N/A], 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.

## 2.3 Pass Discounts

The following is provided for informational purposes only. The current operator does not offer camping at Round Hill Pines Resort. Should applicants propose camping as an activity in their bids, however, those services would be subject to the following restrictions.

The permit holder must provide a 50 percent discount on camping fees at developed campgrounds 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 passports and passes are entitled to a 50 percent discount on a 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 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 hook-up fees.

Any loss of revenue from honoring these passports and 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:

*The current operator does not offer overnight accommodations where this would apply.*

## 2.4 Camp Stamps

Should applicants include camping in their bids, camp stamps must be honored by the camping operation at their face value and submitted to the Authorized Officer for reimbursement.

## 2.5 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. For fee calculation purposes, however, the permit shall be placed in non-use status as provided by Forest Service Handbook (FSH) 2709.11, section 31.23.

Temporary closure of Round Hill Pines Resort's pier is anticipated in the next three years to accomplish remaining work associated with pier reconstruction and replacement of historic rock cribbing. This closure would most likely occur in the off-peak season (October through May) to minimize disruption to the operation.

## 2.6 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.

## 2.7 Applicable Forest Orders

Forest Orders may be issued to address a variety of management concerns on a particular Forest. As of December 2012, there are no orders in effect on the Lake Tahoe Basin Management Unit specifically related to the offering. Additional applicable Forest Orders may be issued in the future. Any rules of use proposed by the selected bidder in his or her submitted operating plan cannot conflict with Code of Federal Regulations, Forest Orders, or other federal, state, or local regulations.

## 2.8 Fee Tickets and Compilation of Use and Revenue Data

Should applicants include camping in their bids, they 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 issued, 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 I for an example of a site 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 reports must include:

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

## 2.9 Customer Service Comment Cards

The permit holder must provide a customer service comment card to visitors at each developed recreation site (see Appendix T for an example).

## 2.10 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 K for an example of a performance evaluation form). An unsatisfactory rating may be cause for suspension or revocation of the special use permit. Satisfactory performance includes fulfillment of investment obligations outlined in Section 1.6, “Forest Service Expectations.” Sustained satisfactory performance is required for a permit extension, however, permit extensions will be granted at the sole discretion of the Authorized Officer.

## 2.11 Accessibility

The Architectural Barriers Act of 1968 (ABA), as amended 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 must meet ADA/ABA Accessibility Guidelines, where applicable, as well as the FSORAG (see Appendices F and G).

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.

## 2.12 Camping Unit Capacity

**S**hould applicants include camping in their bids, the following definitions apply.

*Currently there are no camping facilities at Round Hill Pines Resort.*

### *Single Site Capacity*

Typically, a single-family camping unit may accommodate one vehicle and up to six people. 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. A description of this fee must be included on the NRRS website as well as on any of the concession’s campground advertising or informational materials. 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.

### *Group Site Capacity*

The capacity established for group sites is as follows:

*Currently there are no camping facilities at Round Hill Pines Resort but future capacity would be determined by site design.*

### *Day Use Site Capacity*

Under the current parking configuration, Round Hill Pines Resort can accommodate up to 200 passenger vehicles at one time or approximately 600 people at one time based on existing use patterns. Future site capacity will be determined by the Forest Service based on successful bid and will be posted (and maintained) within the permit boundary by the new permit holder.

## 2.13 Stay Limit

**S**hould applicants include camping in their bids, campers at overnight sites will be limited to a 14-day stay limit during any consecutive 30-day period.

## 2.14 Fees Charged to the Public

Applicants must also 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 Section 1.5.2 for a list of required and optional services). Applicants must discuss in their business plans any variable pricing, discounts, and passes. All proposed fees to be charged to the public must also be included in the business plan as an income item. Fees proposed should be considered within a regional market survey context as well as weighed with Agency goals to ensure equal opportunity for public access. The Forest Service reserves the right to regulate the rates charged to the public.

## 2.15 Law Enforcement

Forest Service Manual (FSM) 2342.1, Exhibit 01 (see Appendix H) addresses the law enforcement authorities and responsibilities of concessionaires, state and local law enforcement agencies, and the Forest Service at developed recreation sites. The permit holder will be responsible for reporting incidents of visitor injuries, acts of vandalism, theft, and destruction of government or personal property. The report shall be made to the appropriate Forest Service officer within 24 hours of the time that such acts are discovered.

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## CHAPTER 3 | Special Use Permit

### 3.1 Introduction

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.

### 3.2 Permit Term

The permit term may be up to 30 years, contingent upon proposed fee to Government. Please see Section 4.3.5 for more information on permit term. Upon expiration of the permit, continuation of the permitted activity will be at the sole discretion of the Authorized Officer and may be subject to a competitive offering. A new prospectus may be issued prior to the expiration of the permit. Permit extensions may be granted at the sole discretion of the Authorized Officer.

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.

#### 3.2.1 *Change in Control of the Business Entity*

Any change in control of the business entity shall result in termination of the permit. The party acquiring control must submit an application for a special use permit. The Forest Service is not obligated to issue a new permit to the party who acquires control. The Authorized Officer shall determine whether the applicant meets the requirements established by applicable federal regulations. The new authorization shall contain any new conditions or stipulations, which circumstances may warrant. In addition, the special use permit itself is not saleable.

### 3.3 Permit Holder Responsibilities

This section highlights the requirements of the special use permit, Form FS-2700-4, an example of which is contained in Appendix J. Applicants are responsible for familiarizing themselves with all permit requirements that govern the operation covered by this prospectus.

#### 3.3.1 *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 and any of his or her agents will be responsible for compliance with all terms and conditions of the permit.

### **3.3.2 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 site in accordance with the special use permit.

### **3.3.3 Permit Holder-furnished Vehicles**

The permit holder may not use all-terrain vehicles, over-the-snow vehicles, motorcycles, or motorbicycles within the developed recreation site. The holder may propose use of golf carts or other vehicles in support of daily maintenance of the facilities. If authorized, carts must stay on designated roads or trails when driving between sites.

### **3.3.4 Maintenance**

#### *Holder Maintenance*

Maintenance, reconditioning, and renovation (MRR) are defined in the permit (FS-2700-4(A), Clause VI.D.1(d),(e)). 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-2700-4(A), Clause VI.D.1(d),(e)). The permit holder, at his or her expense, will be required to perform holder MRR under a holder MRR plan (FS-2700-4, Clause VIII. E.2.). The MRR plan, which will become part of the holder's operating plan, will describe required holder MRR and frequency.

#### *Government Maintenance*

Government maintenance, reconditioning, renovation, or improvement (MRRI) arrests deterioration, improves and upgrades facilities, and appreciably prolongs the life of the property, including but not limited to activities such as installing a new roof, new floor, or new siding; rebuilding boilers; replacing pipes, pumps, and motors; repairing or maintaining the paths, lands, walks, walls, or landscaping adjacent to other federally-owned structures; replacing vault toilets with flush facilities; paving interior roads, upgrading facilities, and installing utilities; and performing exterior painting and refinishing (other than repair of unsightly visual marks caused by everyday use) and that is performed at the sole discretion of the Authorized Officer. Government maintenance is eligible for Granger-Thye (GT) fee offset credit under a valid GT Fee Offset Agreement signed by the Authorized Officer.

### **3.3.5 Safety Inspections**

On an annual basis, prior to the start of the operating season, the permit holder will be responsible for conducting health and safety inspections with Forest Service concurrence. The developed recreation site in its entirety will be inspected by the holder (or an agent of the holder such as an arborist or fire

marshal where appropriate) for environmental hazards including hazard tree identification, structural integrity of facilities, water system integrity, and any other hazards or facilities as specified by the Forest Service.

### **3.3.6 Hazard Tree Removal**

As part of annual inspection responsibilities, the permit holder must survey the developed recreation site for hazard trees. In addition, the holder will also be responsible for monitoring and identifying hazard trees during the operating season. After securing written approval from the Authorized Officer, the permit holder, at his or her expense, is responsible for the cost of removing hazard trees and associated slash. The operating plan will address appropriate disposal of hazard trees and slash. It is not the Forest Service's intent that concessionaires take responsibility for forest stand treatment.

### **3.3.7 Fire Prevention**

The permit holder will be responsible for maintaining defensible space per Forest Service direction. Operating plans will include a Fire Control Plan. Permit holders are subject to applicable fire restrictions.

### **3.3.8 Sustainable Operations**

Concessionaires are encouraged to integrate sustainable measures into their operations, including but not limited to waste recycling programs, installation of energy-saving features within facilities, implementation of water conservation practices, and installation of bear-resistant trash receptacles.

### **3.3.9 Design Standards**

Construction of new facilities or replacement of existing infrastructure must meet with Forest Service Built Environment Image Guide (BEIG) specifications. The BEIG can be found at <http://www.fs.fed.us/recreation/programs/beig>. Please ensure design standards for the North Pacific Province and alpine settings are followed.

### **3.3.10 Signage**

With few exceptions, all informational, directional, and regulatory signage at the developed recreation site must meet current Forest Service Sign and Poster Guidelines described in EM-7100-15. These can be found at <http://www.fs.fed.us/t-d/pubs/htmlpubs/em7100-15/toc.htm>.

### **3.3.11 Advertising**

Marketing and informational materials, including web-based formats, must comply with the following federal civil rights laws:

- 42 USC 2000d-2000c (Title VI of the Civil Rights Act of 1964);
- 20 USC 1681-1686 (Title IX of the Education Amendments of 1972);

- 42 USC 6101 et seq, (Age Discrimination Act of 1975, as amended); and
- 29 USC 794 (Section 504 of the Rehabilitation Act of 1973, as amended).

Along with including the Forest Service shield on all materials, the following statements will be cited:

*“In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. (Not all prohibited bases apply to all programs.) To file a complaint of discrimination: write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.”*

And

*“This institution is operated under special use permit with the U.S. Forest Service Lake Tahoe Basin Management Unit.”*

### **3.3.12 Employee and Caretaker Housing**

Employee housing is not authorized for this concession operation. The permit holder may propose on-site residence of a caretaker during the operating season. At present, a caretaker has not been authorized at Round Hill Pines Resort.

### **3.3.13 Environmental Stewardship**

The Forest Service requires permit holders to play an active role in environmental stewardship on National Forest System lands. Environmental stewardship requirements include accomplishing activities both inside and outside developed recreation areas (throughout the permit boundary) such as: litter removal, erosion control measures, noxious weed management, maintenance of habitat fencing, and screening for aquatic invasive species. Concessionaires are encouraged to incorporate environmental education into operations whenever possible, including the development of site-specific interpretive programs as well as installation of interpretive wayside exhibits where appropriate to interpret the natural and cultural history of the area.

### **3.3.14 Resource Concerns**

#### ***Tahoe Yellow Cress***

Round Hill Pines Resort includes critical habitat for Tahoe yellow cress (*Rorippa subumbellata* Roll.), a rare plant that only occurs on the shores of Lake Tahoe in California and Nevada. The species is listed as endangered by the State of California and as critically endangered in Nevada. The U.S. Fish and Wildlife Service identified Tahoe yellow cress as a candidate species for listing in 1999 under the Endangered Species Act of 1973, as amended. The Tahoe Regional Planning Agency (TRPA) also protects this species under its Code of Ordinances and Goals and Policies. Because of the growing concern regarding the long-term survival of Tahoe yellow cress in the Lake Tahoe shorezone, conservation efforts have been undertaken to recover the species and ensure that it is protected. It is the permit holder’s responsibility to maintain protective fencing and other mitigations as well as adhere to prohibitions on raking beach areas in order to safeguard the site’s population of Tahoe yellow cress.

### *Aquatic Invasive Species*

Preventing the introduction of aquatic invasive species (AIS) into water bodies within the Lake Tahoe watershed has been determined to be of critical importance by the Lake Tahoe Basin Management Unit Forest Supervisor. Permit holders will play a vital role in this prevention effort and are required to comply with all AIS-related procedures and protocols. Consistency of AIS prevention in accordance with TRPA ordinances is achieved by implementing the following standards during periods of recreation site operation:

- Approved AIS screening processes are performed on all watercraft entering staffed day use and campground entrance stations. The screening process will be conducted by permit holders or their agents during the hours the entrance stations are staffed.
- Assure that guidelines are followed when a watercraft does not pass the screening process (guidelines are provided on or with the screening document).
- Permit holders will provide all completed screening documents to their permit administrator on a scheduled basis (please coordinate these due dates with your permit administrator).
- AIS information is posted and available at all managed recreation sites.

Permit holders and their agents will inform watercraft owners of the negative effects of invasive species on the Lake Tahoe ecosystem and local economy as well as provide such public a copy of the kayak boater card supplied by the interagency AIS prevention group.

### **3.3.15 Other Services**

The concessionaire may provide other services to the public with Forest Service approval. Examples of services appropriate to the developed recreation site include but are not limited to:

- A retail store;
- Kayak/canoe/paddle board rentals;
- Outfitter-guide services; and
- Activities and events (holder must address timing, frequency, and duration of events to minimize excessive noise that may affect neighboring communities).

A description of proposed activities and services needs to be included in the operating plan (see Appendix L).

## **3.4 Granger-Thye Fee Offset Agreement**

**T**he Federal Government owns all improvements as listed in Appendix C at the developed recreation site 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 (MRRRI) that arrests deterioration, improves and upgrades facilities, and appreciably prolongs the life of the property. Government MRRRI, whether performed by the holder or the Forest Service, shall be performed at the sole

discretion of the Authorized Officer. See Section 3.3.4 as well as Appendices M and J, FS-2700-4, Clause VIII. E.1(e).

All government MRRI shall be enumerated in an annual GT Fee Offset Agreement signed by the holder and the Forest Service Authorized Officer in advance of performance of the work (see Appendix M, FS-2700-4(A)). Alternatively, a multi-year GT Fee Offset Agreement can be prepared for consolidated fee payments involving projects that necessitate more than one operating season to implement. A list of sample government MRRI projects is included in Appendix F.

Either the holder or the Forest Service may perform GT fee offset work. This determination will be made annually on a project-by-project basis. For example, certain construction projects or utility system overhauls may be better accomplished by the Forest Service. 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 GT Fee Offset Agreement must contain Davis-Bacon Act wage provisions. Additionally, indirect costs may be offset provided the holder submits either a currently Forest Service-approved indirect cost rate or accounting procedures and supporting documentation for the Agency to determine an indirect cost rate (see Appendix O).

If the permit holder enters into a GT Fee Offset Agreement, his or her ability to accomplish projects as outlined in that agreement will become a performance measure in the holder's annual performance evaluation. For example, if a permit holder is authorized under an annual GT Fee Offset Agreement to repair a restroom facility at an estimated amount of \$50,000 by September 30, and come October 1, only \$5,000 has been spent towards the repair with the bulk of the work left incomplete, it would result in a less than satisfactory performance rating.

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 O for an example). 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 Cooperative Work Forest Service (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-2700-4(A), Clause VI.D.3., and Appendix N). 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.

## 3.5 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 \$300,000 for injury or death to one person per occurrence; \$500,000 for injury or death to more than one person per occurrence; and \$25,000 for third-party property damage per occurrence, or in the minimum amount of \$500,000 as a combined single limit per occurrence. These minimum insurance amounts may increase depending on services offered in bid proposals. Insurance policies must name the United States as an additional insured (see Appendix J, FS-2700-4, Clause IV.K.).

***Property Insurance***

Property insurance will be required for Round Hill Pines Resort in the amount of \$1 million for replacement in kind or functional replacement of the insured property (see Appendix C, Government Facility Inventory). The Authorized Officer may require additional property insurance on facilities constructed as a result of an advanced fee offset agreement.

<u>FEATURE</u>	<u>PROPERTY INSURANCE REQUIRED</u>
Round Hill Pines Pier	\$1,000,000

**3.6 Bonding**

**B**onding may be required, and will be determined by the Authorized Officer based on construction and activities proposed and accepted in bid. Should bonding be required, it may take the form of corporate surety, Treasury bills, notes, or other negotiable securities, cash deposits, irrevocable letters of credit, assignment of savings accounts, or assignment of certificates of deposit. The Authorized Officer may reevaluate the need for or the amount of the bond after the first operating season.

<u>AREA</u>	<u>BONDING AMOUNT</u>
Round Hill Pines Resort	None determined at this time.

**3.7 National Environmental Policy Act (NEPA)*****NEPA Requirements***

Project proposals described in the winning bid may be subject to environmental analysis under NEPA. As outlined in FSH 1909.15, the NEPA process applies to proposed ‘federal’ actions; a non-federal activity may be subject to the NEPA process when it requires a permit, regulatory decision, or funding from a federal agency. There are currently few situations where a non-federal entity may take action on National Forest System (NFS) lands without Forest Service authorization, or a proposal for federal action. Therefore, a state, local, or private activity may be subject to NEPA if Forest Service action, approval, or authorization is required (40 CFR 1508.18(b)(4)). If a permit or other type of Forest Service authorization is required, or if the Forest Service can impose conditions that must be met by the non-federal entity, then NEPA analysis is required.

Section 102 of NEPA requires federal agencies to prepare detailed statements on the environmental impacts of proposed major federal actions significantly affecting the quality of the human environment [42 U.S.C. 4332(2)(c)]. The Council on Environmental Quality (CEQ) regulations at 40 CFR 1508.14 state that the term ‘human environment’ as used in the Act shall be interpreted comprehensively to include the natural and physical environment and the relationship of people with that environment. The regulations further clarify that economic or social effects are not intended by themselves to require preparation of an environmental impact statement. Consequently, an action that results only in economic or social effects does not trigger the procedural requirements of NEPA.

If there are effects related to the natural and physical environment triggering the procedural requirements of NEPA, then any interrelated economic or social effects must also be analyzed. Refer

to the definition of effects contained at 40 CFR 1508.8 for a full explanation of the direct, indirect, cumulative, ecological, aesthetic, historic, cultural, economic, social, or health effects that must be analyzed.

The Forest Service, not the permit holder, will determine per NEPA policy what level of environmental analysis will be required for any proposed projects on NFS lands.

### ***Cost Recovery***

Per 36 CFR 251.58, the Forest Service may assess fees to recover Agency costs for processing special use applications, monitoring new or existing authorizations, and processing changes to existing authorizations. This includes but is not limited to assessing fees to cover the cost of environmental analysis or printing an environmental impact statement that relates to the special use authorization. Depending on the nature and scope of the winning bid, the permit holder may be responsible for all or part of the costs of environmental reviews necessary to implement proposed facility improvements or changes. The Authorized Officer will determine the amount of cost recovery assessed in full or proportionately on the new permit holder. Bids may propose a break-down of holder vs. government financial responsibility for the cost of completing NEPA analysis.

# CHAPTER 4 | Application

## 4.1 Instructions for Submitting Applications

**A**pplicants may submit an application for all or portions (optioned items as described in Section 1.5) of the developed recreation site offered in this prospectus.

Applicants are strongly encouraged to visit Round Hill Pines Resort at least once before submitting an application.

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 Nancy J. Gibson, Forest Supervisor, Attention: Lake Tahoe Basin Management Unit, 35 College Drive, South Lake Tahoe, California 96150. Applications must be received by close of business (4:30pm) on Monday, May 20, 2013.

Applicants must submit six (6) 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. See Section 4.3.

Applications must be signed. The person signing for an entity must have the 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 three 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 (LLC), 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 Jonathan Cook-Fisher, LTBMU Recreation Special Uses Program Manager, in writing at: [jcfisher@fs.fed.us](mailto:jcfisher@fs.fed.us) or Lake Tahoe Basin Management Unit, ATTN: Jonathan

Cook-Fisher, 35 College Drive, South Lake Tahoe, CA 96150 regarding any questions related to this prospectus.

## 4.2 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 information contained in applications will be kept confidential to the extent permitted under the Freedom of Information Act (5 USC 552) and the Privacy Act (5 USC 552a).

## 4.3 Application Package Requirements

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

- A proposed 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 4.3.2).
- Financial resources.
- Fees charged to the public.

- Fee to the Government.
- Initial processing fee.

#### **4.3.1 Proposed Operating Plan**

Applicants must submit a proposed operating plan that addresses all required and optional services. Applicants must utilize the sample operating plan (see Appendix L) to organize their response to this section. Upon selection, the successful applicant's proposed operating plan may be updated prior to execution of the new special use permit and attached to and become a part of that permit as Exhibit B.

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. The operating plan must also list sublessors who will offer ancillary services (e.g., water sport rentals, outfitter-guiding opportunities, etc.).

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

##### ***Operating Season***

Applicants need to propose the period in which they will operate the site 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, cleanliness standards, security needs, and public safety. The holder will be responsible for furnishing all personnel for the developed recreation site 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. Applicants should address worker hours and schedules as well as 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 must also 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 applicant's 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 must be licensed and registered); and signage to identify the concessionaire to the public.

### **4.3.2 Business Plan, Business Experience, and References**

The business plan describes the overall visitor experience and recreation opportunities to be provided to the public at Round Hill Pines Resort, including articulating how the applicant will address unique challenges and accomplish Forest Service objectives for the site. It further demonstrates how the applicant intends to achieve recreation objectives at the site and how those objectives are financially supported. This part of the application package must be a separate document and will receive the highest weight among evaluation criteria listed in Section 4.4.

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.

Applicants must furnish a detailed description of their experience related to renovation, construction, and architectural design. Applicants must demonstrate the technical ability to successfully plan and implement the vision of any proposed structures. Applicants are encouraged to demonstrate experience specifically pertaining to historic structures, sustainable/green construction, and financial sustainability. Applicants should include a market survey in their business plans.

#### ***Small Business Development Center Review***

All business plans will be independently reviewed by an SBDC. Applicants are required to submit six (6) 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.

Along with a business plan, applicants must also submit a bank draft, money order, or cashier's check in the amount of \$500.00, non-refundable, made payable to the SBDC. Applicants submitting a current fiscal year review report by the Forest Service or an SBDC need not enclose payment.

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

### **4.3.3 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, for certification of the accuracy of the financial statements (see Appendix U).

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 National 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 must also complete blocks 1 through 5 of form FS-6500-25, Request for Verification, and submit the signed and dated form with the application (see Appendix U). The Forest Service will forward the FS-6500-25 for the most qualified applicant to the Agency's Budget and Finance Department at the Albuquerque Service Center (ASC) 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, Center Resource Audit Branch, 101 B Sun Ave. NE, Albuquerque, NM 87109, Attention: Branch Chief.

### **4.3.4 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 L, Sample Operating Plan, for a list of required and optional services). Applicants must discuss any variable pricing, discounts, and passes. All proposed fees to be charged to the public must also be included in the business plan as an income item. Fees proposed should be considered within a regional market survey context as well as weighed with Agency goals to ensure equal opportunity for public access. The Forest Service reserves the right to regulate the rates charged to the public.

### 4.3.5 *Fee to the Government*

The minimum annual fee for Round Hill Pines Resort will be eight (8) percent of adjusted gross revenue (AGR). Bids may include a flat fee in addition to the annual eight percent AGR minimum, due to the Government within the first five years of the term of the permit. The purpose of the flat fee is to facilitate construction and investment in government-owned improvements while supporting business plan objectives. Bids that propose a flat fee greater than \$1 million will be considered for a 30-year term. Applicants may propose a higher annual percentage fee and/or flat fee to Government. Bids that propose a higher fee to Government will receive greater weight in the selection process.

#### *Optional Consolidated Land Use Fee Payment*

In addition to a flat fee that may be proposed (due to Government within the first five years of the term of the permit), applicants may propose to off-set future land use fees through the cost of reconstruction or improvement of government-owned facilities. Assuming a 30-year special use permit is issued, the Forest Service estimates that a minimum of \$4,000,000 could be available for fee offset over a 30-year period based on the current fee to Government of eight (8) percent. Bids may propose advance fee offset work up to 50 percent of the fee due to Government over the term of the permit. For example, if a bid proposes an annual fee of 14 percent and projects estimated annual revenue of \$2 million, the advanced fee offset work may not exceed \$4.2 million. Advanced fee offset work is limited to 50 percent because future fee offset work may be needed to address other government maintenance over the term of the permit.

$$\frac{(\text{AGR}) \times (\% \text{ Fee to Government}) \times (30 \text{ years})}{2} = \$4,200,000$$

If applicants elect to propose a consolidated land use fee payment, they may submit form FS-2700-12, Agreement Concerning a Loan, if applicable (see Appendix V). Please note that the fee clause in the special use permit (FS-2700-4) will be updated to reflect bid information.

### 4.3.6 *Other Evaluation Criteria*

Bids that commit to an up-front lump sum fee offset payment (accelerated Granger-Thye fee offset) will receive more weight from the selection panel.

### 4.3.7 *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 \$500, non-refundable, 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.

## 4.4 Evaluation of Applications

**A** Forest Service evaluation panel will evaluate each application utilizing the non-fixed weight method. Each criterion will be numerically scored. The following evaluation criteria are listed in descending order of importance:

- Business plan, business experience, and references.
  - Experience related to renovation, construction, and architectural design.
  - Additional weight will be given to bids that include an accelerated Granger-Thye fee offset payment. See Sections 1.6.1 and 4.3.6.
  - Schedule of facility improvements.
- Fees charged to the public.
- Fee to the Government.
  - Bids that propose a higher fee than the minimum to the Government will receive greater weight in the selection process.
- Proposed operating plan.
- Financial resources.

The Forest Service will consider only the applicant's written application package and any past performance information obtained by the Agency. 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 may also 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.

## 4.5 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 operating plan containing all of the items included in the initial operating plan submitted in response to the prospectus.
- An annual GT Fee Offset Agreement.
- Documentation of required liability and property insurance.
- Documentation of bonding, if applicable.
- Required deposits and advanced payments (see Appendix J, FS-2700-4, Clause VI.A.).
- 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 of 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.

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 20 hours 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.

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