

9.04

Preliminary Decision

PRELIMINARY DECISION

to offer a

CONCESSION CONTRACT FOR OPERATIONS OF BIG DELTA STATE HISTORICAL PARK

The Department of Natural Resources, Division of Parks and Outdoor Recreation is considering soliciting proposals to provide visitor food services and optional gift services at Big Delta State Historical Park, under a concession contract authorized under AS 41.21.027.

Big Delta State Historical Park has been managed to preserve and interpret the site, its buildings, and its structures as representative of important periods and themes in Alaska's history. One of the primary activities enjoyed by the public is the cultural history interpretive program offered at the Park. The visitors have also come to expect food services to be provided at the Park.

Since 1987, the Restaurant Facility at Big Delta State Historical Park has been operated by Whitestone Farms, Inc. under Concession Contracts. This organization has managed the facility with about 32,000 visitors per year, primarily during the summer season. The facility is open May 15 through September 15 each year and by appointment only in the winter.

The Department of Natural Resources is responsible for meeting the requirements of AS 41.21.027 in considering a concession contract. While it is not possible to delineate all of the features of a concession contract, the division anticipates that the contract will provide for:

- a. An exclusive right to manage the Restaurant Facility at Big Delta State Historical Park, providing food services and optional merchandising services to the visiting public.
- b. A reasonable fee schedule to be set by contract, subject to Division review and approval.
- c. Adequate and effective safety precautions.
- d. Adequate accommodations for persons with disabilities.
- e. A five-year term, with option to renew at the pleasure of the Division for two additional ten-year terms.
- f. A prohibition from significant interference with ordinary and traditional use of Big Delta State Historical Park.
- g. Full compliance with all relevant state and local laws.

1. Identification of local concerns

Pursuant to AS 41.21.027(c)(1), the Department has conducted a preliminary inquiry to identify local concerns regarding the potential decision to enter into a concession contract for the operation of the Restaurant Facility at Big Delta State Historical Park. Public notice was posted in Delta Junction at the Post Office, City Hall, Chamber of Commerce, IGA grocery store and at Interior Building Supplies on

October 1, 2013. Notice was posted online on the Delta News Web on October 1, 2013. The Northern Area State Park Citizen's Advisory Board, during their September 25th, 2013 meeting, discussed the proposal to issue a concession contract and they passed a resolution in support of proceeding with the process to award a contract.

2. Preliminary Findings

a. Findings pursuant to AS 41.21.027(b)

I find that authorizing a concession contract providing for the private operation of food services at Big Delta State Historical Park is consistent with the purposes of the Park - to preserve and interpret the site, its buildings, and its structures as representative of important periods and themes in Alaska's history. Further, authorizing a concession contract will enhance public use and enjoyment of the park unit while maintaining a high quality environment and the opportunity for high quality interpretive programs.

This authorization will provide services that are not feasible or affordable for the state to provide directly. The present contractor has been operating a restaurant at the Park for 26 years. Private management is essentially the only option for continued management and operations of this restaurant facility. The previous contractor has shown that providing high quality food services encourages visitation and enhances the public's understanding for and appreciation of Big Delta State Historical Park and its important cultural resources. I find that entering into a concession contract for operation of the restaurant facility at Big Delta State Historical Park is based upon and consistent with the expressed need and desire of the public. The majority of the public supports the continuation of a concession contract for these services.

A concession contract of this nature will not create unacceptable adverse environmental effects as the contractor will continue utilizing the infrastructure originally established at Big Delta State Historical Park. The contract will contain stipulations to further protect sensitive resources in the park.

In addition, the concession contract will require the accommodation, at no additional cost, of ordinary uses of the area. This includes use of the latrines and water.

I find that any contract to be offered would require that the contractor hire Alaska residents, to the extent available and qualified, when hiring persons to work under the contract.

Further, I find that any contract to be entered into will require payment to the State of a minimum of 5 percent of gross revenue for the concession. I find that such a share of revenues is a fair and equitable portion, given our experience with and review of the costs of doing business in the past. The Department will establish maximum charges assessable by the concessionaire, and will retain control over the level of fees and design and appearance of any park improvements or renovations that may occur.

Any concession contract to be entered into will encourage the contractor to accommodate visitors with special circumstances, including handicapped persons, senior citizens, and school children.

Any contract to be entered into would also require termination of the contract if there were substantial violation of the contract or provisions of AS 41.21.027.

b. Findings pursuant to AS 41.21.027(c)

1. Assessment of existing visitor use.

Existing visitor use is accommodated through interpretive presentations or self-guided tours of the Park and food and gift services. It is not expected that operation under a concession contract will differ from the past use.

2. Assessment of potential conflicts with wildlife, water, scenic values and other resources.

It is not expected that any potential conflicts with wildlife, water, scenic values or other resources will result from this concession contract under the proposed contract stipulations that are intended to protect local resources from impacts.

3. Services to be provided and terms of contract.

The services to be provided include management, maintenance and operation of the restaurant facility at Big Delta State Historical Park, providing food services to the visiting public. In addition to the general terms previously identified herein, it is anticipated that the terms of any concession contract would be substantially similar to the terms previously required in the most recent concession contract issued in December, 2012. The Department does, however, reserve the right to amend contract terms as may be in the best interest of the State.

4. Authorization to manage and operate the Restaurant Facility at Big Delta State Historical is appropriate.

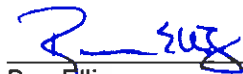
All comments received in response to public notices showed support for the Restaurant Facility at Big Delta State Historical Park to be operated by a private business as this has proven to be successful during the past 26 years.

5. The Northern Area State Park Citizen's Advisory Board supports the State's interest in requesting proposals for a concession contract to operate and manage Big Delta State Historical Park.

A unanimous vote of the board members in favor of the state pursuing the RFP process leading to a concession contract was made during the Sept. 25th, 2013.

I find that it is appropriate for the Department of Natural Resources to issue a Request for Proposals to seek a qualified business to operate the Restaurant Facility at Big Delta State Historical Park, and to continue providing food services, through a concession contract. As previously noted, the commercial operations are consistent with the purposes for which Big Delta State Historical Park is managed, relevant state law, and with the desire of the public users of the area.

Dated in Anchorage, Alaska, this 8th day of October, 2013.



Ben Ellis
Director



Date