

**BUSINESS OPPORTUNITY FOR
CONCESSION AND OTHER SERVICES AT SILVER FALLS STATE PARK**

Question and Request for Clarifications Document

August 9, 2024 Questions 1-8

August 21, 2024 Questions 9-41

August 28, 2024 Questions 42-50

1. Does OPRD insure the concession facilities / structures or is that the responsibility of the concessionaire?

Answer: OPRD insures the structures.

2. It appears the second contract was given to a “set-aside” business entity, do they get the award automatically if they meet the solicitation criteria requirements?

Answer: There will only be one contact for the Smith Creek Village, Ranches and South Falls Café facilities outlined in the business opportunity.

3. Is there a minimum concession fee for the proposed concessionaire?

Answer: There is no minimum concession fee.

4. What is the current concession fee the incumbent operators are paying the State?

Answer: The contribution to the state is 5% of gross revenue held in a maintenance reserve account. There is no current concession fee due to the contract’s short-term duration and the dire need for concession services during the COVID-19 pandemic. Prior to current contract, the concession fee ranged from 10.5 to 12.5%.

5. The term is listed at 10 years but can be negotiated to a 20 year term based in the level of investment towards capital improvement projects by the awarded concessionaire, is that correct?

Answer: ~~Yes, this is correct.~~ The contract can be negotiated up to 20 years. The evaluation criteria will consider investments towards capital improvements in comparison to the contract term.

From Business Opportunity: “Agency intends that any resulting Contracts will have a term of up to 10 years if for only Basic Services, and up to 20 years if for a combination of Basic Services and Additional Projects.”

6. Are any of the capital improvement projects required or simply requested by the state of the \$870K in priority projects and \$1M in desired projects?

Answer: No, all the capital improvement projects listed in the Business Opportunity are desirables not mandatory requirements.

7. Give the open house / site visit is not until August 16th, and questions due on the 21st would an extension of this business opportunity be considered?

Answer: OPRD reserves the right to extend the Business Opportunity closing date.

8. Do you have historical revenue date for this concession contract?

Answer: Please see Exhibit B- Business Description. The Silver falls Hospitality LLC total 2023 revenue was \$1,210,700. The South Falls Café 2023 revenue was \$747,649.

End of Question and Answer for August 13, 2024

Question and Answer for August 21, 2024

9. I have a question about the requirements for Financial Information and Resources (page 10 section C, 2.5.): proof of the Interested Party's ability to meet at least 6 months of startup and payroll costs, in the form of bank statements, credit lines, existing loan availability, and any other sources of cash. If applicable, explain financial resources and planning for any Additional Projects. Can my current accounts receivable could be considered?

Answer: Generally, OPRD has broad discretion to determine whether an Interested Party's submission is responsive to the requirements of the Business Opportunity. It would be a decision within OPRD to assure the accounts receivable is sufficient and demonstrates the ability to cover 6 months of startup costs.

10. What transition support does the contract winner get from OPRD?

Answer: OPRD will facilitate the transition contractually but does not take part in any transition activities. OPRD will provide oversight to assure a smooth transition.

11. Does the contract winner get the contact info and the right to offer continued employment to current staff?

Answer: The contract winner may request a list of interested staff names and contact information from the leaving concessionaire.

12. Do you have any numbers on past payroll costs for the South Falls Cafe, Big Leaf Cafe and the Village?

Answer: The Silver Falls Concession, LLC which includes Big Leaf Café, Smith Creek Village and 2 Ranches 2023 Food and Beverage Payroll \$771,127.

The Big Leaf Café Food and Beverage Payroll was \$246,840 5 positions x 8 hours x 363 days at \$17.00 per hour.

13. What amount in cash/line of credits etc... is the minimum to cover startup and payroll costs to cover the first 6 months for this contract according to OPRD? Or is it based solely on our estimates in the financial forms?

Answer: Pending. **It is incumbent on the Interested Party to conduct their own due diligence and estimates with regard to what they think the market opportunity is and what they believe operating expenses will be (e.g. COGS, staffing, other operating supplies, indirect expenses, etc.).**

14. Is there an ideal amount of proof of Cash/LOC that OPRD is looking for to cover the first 6 months of operation?

Answer: Pending **No, OPRD does not have an ideal amount set for this Project. Start-up operational costs will be evaluated based on historical expenditures.**

15. There is a section in the Expense Statement Form for property taxes, what is this for? Does the concessionaire have to pay property taxes on the facilities and property used in the state park?

Answer: I South Falls Café is a shared space. Smith Creek Village and the Ranches: Yes, the 2023 Property Tax paid was \$2,152.49

16. Are there any necessary repairs needed right now for the concession to continue normal operations and if so, what's the estimated costs?

Answer: There are not any critical repairs needed to maintain current operations. There are previously approved maintenance projects the current operator is scheduled to fix; The office roof repair and new window blinds.

17. What property stays with the facilities at Smith Creek Village, South Falls Case and Big Leaf Cafe, that the next contract winner would be able to use?

Linens? Furniture? Art work? Payment system? Maintenance Supplies? In the Kitchens: What equipment at South Falls Cafe? What equipment at Big Leaf Cafe?

Answer: Please see BO- Personal Property List at [Oregon Parks and Recreation : Doing Business with OPRD : About Us : State of Oregon.](#)

18. Do renovations require a contractor license or can the concessioner complete minor renovations and improvements, such as flooring, wall paneling, drywall, fixtures and or painting.

Answer: Depending on the type of minor renovations, they may be performed by concession staff with the skills and abilities to perform the task. OPRD will work with the concessioner to review project scope and approach.

19. Is the Parks currently maintaining HVAC systems? If not, who would pay for the inspections prior to the lease?

Answer: HVAC system maintenance at Smith Creek Village is the responsibility of the concessionaire. The South Falls Lodge HVAC is the responsibility of the Park. All cooking equipment ventilation and fans are the responsibility of the concessionaire.

20. Is their financial data on the utility costs for Smith Creek Village?

Answer: OPRD will request this information for the current concessionaire.

21. What date is the current vendor stopping their services?

Answer: The current Contract expires October 31st, 2024. OPRD may negotiate a short-term Amendment to extend the services to align with the new contract period.

22. Is there an option to transfer ownership of equipment from the current concessioner to the new concessioner? If so, can we get a list of the equipment available to transfer?

Answer: Please see the BO-Personal Property List uploaded for proposer review. Transferring of equipment and property would need to be negotiated directly with the current concessionaire.

23. Do any of the current employees working the restaurant or Smith Creek Village want to be retained under the new contract? If so, who would initiate these conversations?

Answer: It is not uncommon for employees of past concessionaires to be hired by the new concessionaire. We could ask the current concessionaire to ask employees if they wish to be considered.

24. Can you please provide the boundaries of the land assignment? Can the land assignment be expanded for additional uses?

Answer: See attached Map #1 of the current Smith Creek Village area. The South Falls Lodge areas are outlined in the Business Opportunity. Expansion would be considered based on proposals and impact to park resources and facilities.

25. Can you please provide clarification on the water and septic courses and capacity by location? What potential challenges exist for future projects?

Answer: Capacity constraints would need to be evaluated against capital development proposals. Currently the main areas of SCV have additional capacity. Any additional loads added to the Upper Smith Creek Village cabins would require sewer catchment upgrades to connect the upper system to the main lift station and pumps located in the main parking lot area of Smith Creek Village.

26. What is the square footage of the theater building and the outdoor space in that area? Can pictures be provided?

Answer: The Theater Building is 624 sq. ft. The outdoor space is approximately 4,150 sq. ft. See attached Pictures.

27. What is the square footage of the public space in the Big Leaf bar and grill sitting space and the lobby space in the espresso bar area?

Answer: The Big Leaf Coffeehouse and Grill is 4627 sq. ft.

28. Can pictures off the café kitchen / back of house be provided?

Answer: See attached Pictures.

29. Who is responsible for landscaping?

Answer: Landscaping at Smith Creek Village and the Ranches is the responsibility of the concessionaire. The landscaping at the shared South Falls Lodge space is the responsibility of the park. The park performs hazard tree inspections for all locations and conducts technical felling when necessary.

30. Would OPRD consider an extension of this due date for this business opportunity?

Answer: Yes, currently September 6th, 2024.

31. Is there any historical information on payroll expenses or total number of staff/staff FTE required for recent operations?

Answer: Historical Average for Smith Creek Village is ~~\$247,000~~ **\$771,127** and 2022 were **~\$750,000**. We do not have access to a Historical Average for the Café.

32. Any special insurance requirements that are out of the ordinary for the contract?

Answer: No: Workers Comp, CGL, Auto, Employee Theft and Dishonesty in case of credit/bank card breach.

33. Who is responsible for all groundskeeping activities in the vicinity? Park staff or concessionaire employees?

Answer: Landscaping at Smith Creek Village and the Ranches is the responsibility of the concessionaire. The landscaping at the shared South Falls Lodge space is the responsibility of the Park. The park performs management of the meadows outside of the area (~300') immediately surrounding the ranches on an annual basis.

34. Are the capital improvement projects expected to be funded in full by the concessionaire? Or would OPRD contribute any budget towards these projects? Is there an ideal timeline for capital improvements?

Answer: The Additional Projects listed in the Business Opportunity should be addressed by the Interested Party in the C. REQUIREMENTS FOR NOTICES OF INTEREST 2.3 Plan for Additional Projects (Optional).

35. Is there an inventory list that you can send over, especially in terms of the restaurant and concessions equipment?

Answer: Please see Personal Property List.

36. Is there flexibility on the November start or is that required due to the expiration of the existing contracts?

Answer: There is flexibility based on Interested Party proposals and the evaluation and selection process.

37. In regards to construction permits and zoning, what agency manages that process? OPRD manages Permits with Marion County. What is the timeline for getting approval for renovations?

Answer: Timing for project approvals would depend on the scale and scope of the project and overall impact to facilities and infrastructure.

38. Does the current zoning allow for private bathrooms in the camping sites?

Answer: All facilities within Smith Creek Village and both Ranches currently have bathrooms. The cabins located at Upper Smith Creek and the Ranches have flush toilets and sinks but not shower facilities. Adding showers to the Ranches are part of the Additional Projects section of the Business Opportunity.

39. Who manages Oregon State Parks Reserve America website? Can you confirm whether that site access and revenue will be transferred?

Answer: OPRD manages this website. Current concessions do not use the OPRD website but rather their own reservation system. The <https://www.smithcreekvillage.com/> domain is OPRD owned and transferable.

40. For third-party websites, like Airbnb, will the site access and revenue be transferred or can be acquired for a fee?

Answer: Transferring of assets and property would need to be negotiated directly with the current concessionaire.

41. Is the agency open to a lease hold mortgage being used to fund some renovations and operating expenses?

Answer: OPRD is willing to consider this on a case-by-case basis and with no impact to the State or its ownership of property.

End of Question and Answer for August 21, 2024

New : Question and Answer for August 28, 2024

Attn: Please see changes to Question #12, #13, #14 and #31.

42. The Excel spreadsheet indicates the “retain” tab will be leased to concessionaires...what if the vendor does not want to use any particular equipment...may the vendor refuse to lease

and acquire their own equipment? (and my question is almost exclusively related to the technology pieces – Cisco routers, security systems, etc.)

Answer: The retain tab on personal property list are items belonging to OPRD. Some of the items will be required to maintain continuity of operations park wide (i.e. security system). However, if there are items the future concessionaire does not want to use, those items will need to be considered on a case-by-case basis.

Correction to Personal Property List:

- Smith Creek Village: Coffee Grinder and Brewer belongs to Allan’s Coffee not OPRD or the current Concessionaire.
- Smith Creek Village: Uniforms belong to current concessionaire and are available for sale upon contract end date.

43. Is there any technical detail available now that discusses where the Internet facilities are now (i.e., where does the Internet come into the facilities), and / or technical designs on how the WiFi and other technical services are being provided?

Answer: The internet service to the park is provided by Stayton Cooperative Telephone Company (SCTC). The Smith Creek Village (SCV) office and the South Falls Lodge are the entry points for internet service. The Wi-Fi at the South Falls Lodge is provided by OPRD. There is currently no public Wi-Fi at SCV but there has been service in the past. We do not have technical designs for the internet at the South Falls Lodge or SCV area.

44. Please share the list of equipment used to run the operation, it's important that we know what equipment will need to be purchased to continue the smooth operation of the businesses and how much that will cost. Including how much it would cost if it were purchased from the current concessionaire vs on the open market. Included in this are things such as bed linens, furnishings, kitchen equipment, technology, etc...

Answer: Please see the Personal Property List in OregonBuys or the OPRD website.

Any business transaction between the previous concessionaire and the new concessionaire are two party agreements and OPRD is not involved in those agreements.

OPRD will not assess market rates of equipment versus private purchases; please conduct that market research independently.

45. What happens with pre existing bookings? Say the current operator has already received full payment for a booking in June of 2025. Who gets that money? Will we cancel the reservations and redo them? Will the funds be transferred?

Answer: At this time, all 2025 reservations for lodging is being scheduled with a 25% non-transferable booking fee. Bookings are limited to lodging only and additional services such as food, event set up will be coordinated with the winning contractor. OPRD cannot include additional event packages since we do not know if event packages will be offered in the new contract. The winning contractor is responsible for the collection of the remaining 75% of lodging fees from customers and set-up event packages (if applicable).

46. What is the expected maintenance contribution? What has it been annually for the past few years?

Answer: Historically, there was 5% of the monthly Gross Revenue contribution for the Repair and Maintenance Reserve Fund. During the current short term intermediate contract (2021-2024) the fee has been \$3,750 per month.

47. May we please see the last six months of expenses so we can be sure to have enough cash on hand to meet the requirement listed in the business opportunity to have enough capital for startup costs and 6 months of operations?

Answer: OPRD is requesting this information.

48. Are employees expected to transfer to the new concessionaire?

Answer: No, employees are not expected to transfer to the new concessionaire. The winning contractor may request interested employee names and contact information from the leaving concessionaire.

49. For new construction, would it be considered to offer a long term lease to whoever funds the new construction so they can get paid back regardless of who the concessionaire is? For example, say someone funds a new restaurant or hotel. Could they get a 50 year lease from the park on the land and then earn a return on their investment by leasing the space to the business that operates it? This would help attract the investment needed to fund some of the larger ideas like a cafe, spa, lodge, etc...

Answer: OPRD is willing to consider this on a case-by-case basis.

50. If Oregon Commission for the Blind is afforded these benefits, how will the competitive process work with regard to bidding for the food and food services?

Answer: ORS 346 doesn't appear to apply because this cafeteria is in a visitor venue (see ORS 346.525[2][a]).

End of Question and Answer

MAP #1



PICTURES

South Falls Lodge- Elevation



South Falls West- Elevation



PICTURES

South Falls Lodge Café

Back Kitchen



PICTURES

Back Kitchen Exterior



PICTURES

Front Kitchen



PICTURES

Front Kitchen Exterior



PICTURES

South Falls Lodge Theater and Courtyard



PICTURES

Courtyard



SITE VISIT SIGN-IN SHEET IN ELECTRONIC FORM

Name	Business	Email	Phone
Alex Chung	Grand Cur Hospitality	alex@grandcrupdx.com alex@grandcruhospitality.com	503-309-7148
Connie Dominguez	Dominguez Accounting	Connie@dominguezaccounting.com	503-509-9817
Molly and Tony Deis	Trackers Earth (Youth Camp)	Molly@trackersearch.com	503-559-2825
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