



# PROSPECTUS



A Concession Business Opportunity for the Operation of Guided Water  
Float Tours and Related Visitor Services  
within  
Channel Islands National Park

**Solicitation #**  
**CC-CHIS004-27**

# PROSPECTUS

## Guided Water Float Tours and Related Visitor Services

CHANNEL ISLANDS NATIONAL PARK

NATIONAL PARK SERVICE

INTERIOR REGIONS 8, 9, 10, AND 12

Contract No. CC-CHIS004-27

PROSPECTUS ISSUED:	March 19, 2026
SITE VISIT REGISTRATION:	March 30, 2026
SITE VISIT:	April 2, 2026
QUESTIONS DUE:	April 10, 2026
NOTICE OF INTENT TO PROPOSE DUE:	May 28, 2026
PROPOSALS DUE:	June 25, 2026

Questions and proposals must be **received** by the National Park Service no later than by 12:00 P.M. (Pacific) of the due date listed above.

**Mark Juretschke**  
**Financial Analyst**  
**National Park Service**  
**Interior Regions 8, 9, 10, and 12**

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Send Questions via email to:

Mark Juretschke  
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# **BUSINESS OPPORTUNITY**

CC-CHIS004-27

*Department of the Interior*

National Park Service  
Channel Islands National Park

**A Concession Business Opportunity for the Operation of Guided Water  
Float Tours and Related Visitor Services  
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# INTRODUCTION

The National Park Service (“Service”) seeks proposals for a concession contract authorizing the operation of guided sea kayak tours and related visitor services at Santa Cruz Island within Channel Islands National Park. This Prospectus describes, in general terms, the existing business operations and the future business opportunities for services required by the Service. Offerors must review all sections of this Prospectus and, specifically, the terms and conditions of the Draft Concession Contract No. CC-CHIS004-27 (“Draft Contract”), including its exhibits, to determine the full scope of a future concessioner’s responsibilities under the Draft Contract. All photos and data in this document are courtesy of the Service.



**Exhibit 1. Summary of Draft Contract Terms and Conditions**

Category	Draft Contract Terms and Conditions
<b>Draft Contract Term</b>	Ten (10) Years
<b>Projected Effective Date</b>	March 1, 2027
<b>Required Services</b>	Guided Water Float Tours, Limited Convenience Item Sales, and Snorkel Rentals
<b>Authorized Services</b>	Guided Snorkel Tours
<b>Project Gross Receipts (Year 1)</b>	\$3,028,000 - \$3,353,000
<b>Estimated Initial Investment</b>	\$965,000
<b>Minimum Franchise Fee</b>	15.6% on Gross Receipts

## NOTIFICATION OF INTENT TO PROPOSE

If you plan to submit a proposal in response to this solicitation, you must notify Mark Juretschke via email at [mark\\_juretschke@nps.gov](mailto:mark_juretschke@nps.gov) no later than 12:00 p.m. (PDT) on May 28, 2026.

**The Service will not accept proposals from entities that do not provide their Notice of Intent to Propose on or before 12:00 p.m. (PDT) on May 28, 2026.**

## INFORMATION REGARDING THIS PROSPECTUS

In this document, the National Park Service refers to Channel Islands National Park as the "Park" or "Area."

This Prospectus includes Service estimates of revenue and expenses to assist Offerors in developing financial projections. These estimates reflect Service assumptions based on planning decisions, historical concession operating data, industry standards, economic conditions, and comparable and competitive operations. The Service does not guarantee these projections will materialize and assumes no liability for their accuracy. Offerors must compile and present their own financial projections based on independent assumptions, due diligence, and industry knowledge.

Offerors must review all sections of this Prospectus, especially the terms and conditions of the Draft Concession Contract No. CC-CHIS004-27, including its exhibits, to determine the full scope of a future concessioner's responsibilities. The Draft Contract with all exhibits is included in this Prospectus. In the event of any inconsistency between the description of the terms contained in this Prospectus and the Draft Contract itself, the terms of the Draft Contract will prevail.

Certain federal laws apply to this solicitation, including the National Park Service Concessions Management Improvement Act of 1998 (Public Law 105-391 and hereafter referred to as "the Concessions Act"), as implemented by regulations in 36 C.F.R. Part 51. Links to these are available online at the [NPS's Commercial Services website](#). In the event of any inconsistency between the terms of this Prospectus and 36 C.F.R. Part 51, 36 C.F.R. Part 51 will control.

"Concessioner" refers to the entity that will be the concessioner under the Draft Contract. "Existing Concessioner" refers to Santa Barbara Adventure Company, dba Channel Islands Adventure Company., the existing concessioner for the services currently offered under Concession Contract No. CC-CHIS004-17 ("Existing Contract"). The Existing Contract is available upon request.

The Service intends to announce the Selected Offeror around August 2026. The Service intends to award the Draft Contract around October 2026, or approximately six (6) months prior to the anticipated effective date when the Concessioner will commence operations on March 1, 2027. Award of a concession contract does not occur until the competitive process has been completed and both the selected Offeror and the Service has signed the concession contract. While the Service will make every effort to meet this schedule, it is subject to change.

## SITE VISIT

The Service will host a site visit for organizations interested in bidding on this opportunity on the date listed on the inside cover of this Prospectus. The site visit provides interested organizations with an overview of the concession operation along with a tour of the Concession Facilities assigned to the Concessioner under the Draft Contract.



To attend the site visit, registration is required. To register, please email Mark Juretschke, Financial Analyst, Interior Regions 8, 9, 10, and 12, at [mark\\_juretschke@nps.gov](mailto:mark_juretschke@nps.gov), along with a courtesy copy to John Hansen, Concessions Management Specialist, Channel Islands National Park, at [john\\_hansen@nps.gov](mailto:john_hansen@nps.gov) with the name of your organization, contact phone number and email, and the number of people attending from your organization, no later than the registration date listed on the inside cover of this Prospectus.

Site visit participants are responsible for obtaining their own lodging, meals, and transportation to the Concession Facilities. Organizations should note the Concession Facilities are located on Santa Cruz Island and transportation can be obtained through [Island Packers](#), which operates ferry service to and from the mainland. Organizations should book passage on the vessel as early as possible as space is limited.

Participants must be 18 years of age or older. Please be prepared for varying weather and walking through the Concession Facilities. Since the concession operation will be serving visitors at the time of the site visit, the Service limits the number of representatives that each organization, including any supporting contractors, may bring to the site visit to three (3). Attendance at the site visit is not required to submit a proposal; however, attendance is encouraged.

## PROPOSAL OVERVIEW

Offerors should carefully review and comply with the proposal instructions, included in the Prospectus. The Service will only accept digital versions of proposals for this solicitation submitted electronically per the proposal instructions. Offerors must complete the Proposal Package in its entirety. The Proposal Package contains a required transmittal letter, five principal selection factors, and two secondary selection factors. Each selection factor identifies the minimum and maximum points the Service may award, depending on the quality of the response. A high-quality response includes clear, specific commitments. The following paraphrases the information sought under each selection factor. Where there are discrepancies, the wording of the actual selection factors in the Proposal Package controls.



Principal Selection Factor 1 requires Offerors to describe experience and expertise relating to the protection of natural resources.

Principal Selection Factor 2 requires Offerors to describe how it will ensure high-quality visitor services.

Principal Selection Factor 3 requires Offerors to describe its organizational structure and provide documentation to help the Service understand the Offeror and its relationship to other entities. The Service does not score this information specifically but may use it to understand responses elsewhere in the proposal. Incomplete submissions may lead to a lower score elsewhere if the information submitted does not support claims made in response to specific subfactors in this and other selection factors. The Service has provided forms Offerors must complete depending on their organizational structure.

This principal selection factor also requires Offerors to describe experience with similar operations, plans for employee recruitment and retention, and its history of violations and infractions as well as the strategies the Offeror will implement to minimize them.

Principal Selection Factor 4 requires Offerors to demonstrate their financial capacity to commence and carry-on operations under the Draft Contract. A high-quality response incorporates commitments made elsewhere

in the proposal. The Service's proposal package includes a business history form, and an Excel workbook Offerors must complete in providing responses to this selection factor.

Principal Selection Factor 5 requires Offerors to provide the franchise fee they will pay on gross receipts generated under the Draft Contract. Failure to agree to pay the minimum franchise fee set out in the selection factor will result in the Service finding the proposal non-responsive and ineligible for award of the Draft Contract.

Secondary Selection Factor 1 requires Offerors to describe programs it will implement to promote sustainability within the operations.

Secondary Selection Factor 2 requires Offerors to describe how it will improve management of the employee housing area in close proximity to the visitor campground on Santa Cruz Island.

## NATIONAL PARK SERVICE

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### THE NATIONAL PARK SERVICE AND ITS MISSION

In 1916, President Woodrow Wilson approved legislation creating the Service within the Department of the Interior. That legislation mandated that Congress created America's National Park Service to:

*...conserve the scenery and the natural and historic objects and the wildlife therein and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations. 54 U.S.C. § 100101(a)*

Additionally, Congress declared that the National Park System should be:

*...preserved and managed for the benefit and inspiration of all the people of the United States... 54 U.S.C. § 100101(b)*

The Service has as its overall mission the preservation and public enjoyment of significant aspects of the nation's natural and cultural heritage. To learn more about the National Park Service, visit [www.nps.gov](http://www.nps.gov). This site includes information about the Service, its mission, policies, and individual parks.

### DOING BUSINESS WITH THE SERVICE

The Service has worked with private parties to provide services to visitors dating back to the earliest times of national parks, well before the creation of the Service itself. Many of the iconic lodges and other structures found in America's national parks were constructed and operated by private parties, and that relationship continues today.

The Service uses the term "commercial visitor services" when generally describing services, benefits, and goods provided to visitors within an area of the National Park System by a third party for a fee. The term "commercial visitor services" includes lodging, food and beverage, retail, marina operations, guided recreation, equipment rental, experiential transportation, and similar services the National Park Service itself does not provide. The Service implemented regulations for many aspects of the Act, primarily to set out the process for soliciting bids for new contracts and managing the concessioner's investment in structures owned by the United States.

Working with the Service providing commercial visitors services differs from operating outside a park in several respects. By law, the Service approves the rate approval method and, possible, the rates to ensure park visitors do not pay higher fees for goods and services merely because such transactions occur within



parks. As with the private sector, concessioners must develop and follow environmental management programs, risk management programs, and similar programs to ensure operations comply with applicable laws. Our employees review the quality of concession operations and compliance with contract requirements including, when appropriate, the maintenance of facilities. Our contract oversight reflects the best management practices of the private sector industries.

Even with these regulatory requirements, concessioners in national parks enjoy significant benefits. Many parks function as unique visitor destinations. Channel Islands National Park is one such destination, attracting numerous visitors from local, national, and international communities.

## CHANNEL ISLANDS NATIONAL PARK

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Off the coast of southern California, the Channel Islands seem to float on the horizon like ribbons of dark rock. Named for the deep troughs that separate them from the mainland, the islands and their encircling waters are home to over 2,000 species of animals and plants—145 are found nowhere else on Earth. Isolation over thousands of years and the mingling of warm and cold ocean currents give rise to the rich biodiversity of these islands. The islands hold the tangible resources and intangible stories of more than 600 generations of people, including Island Chumash, Tongva, and more contemporary ranching families. In total, eight Channel Islands range along the coast of southern California for 160 miles.

Protection for the islands began in 1938 when Anacapa and Santa Barbara became Channel Islands National Monument. In 1980 Congress designated San Miguel, Santa Rosa, Santa Cruz, Anacapa, Santa Barbara, and the submerged lands and waters within one nautical mile of each island as Channel Islands National Park. Within Channel Islands National Park, the Service monitors and protects threatened and endangered species, restores ecosystems, and preserves the natural and cultural resources for generations to come. Federal law protects the islands' natural and cultural resources, including all seabirds, marine mammals, and other wildlife, plants and wildflowers, artifacts, structures, rocks, fossils, shells, and shipwreck. The waters extending out six nautical miles from each island are designated Channel Islands National Marine Sanctuary, which is managed by the National Oceanic and Atmospheric Administration, a bureau with the U.S. Department of Commerce

The primary transportation method that delivers visitors to Park islands is the boat transportation service provided under the Park's other concession contract. Additionally, Commercial Use Authorizations issued by the Service provide for multi-day, multi-island live-aboard tours to underserved areas and air taxi service to Santa Rosa and San Miguel Islands. Private boaters also visit Park islands, for which a permit is not required.

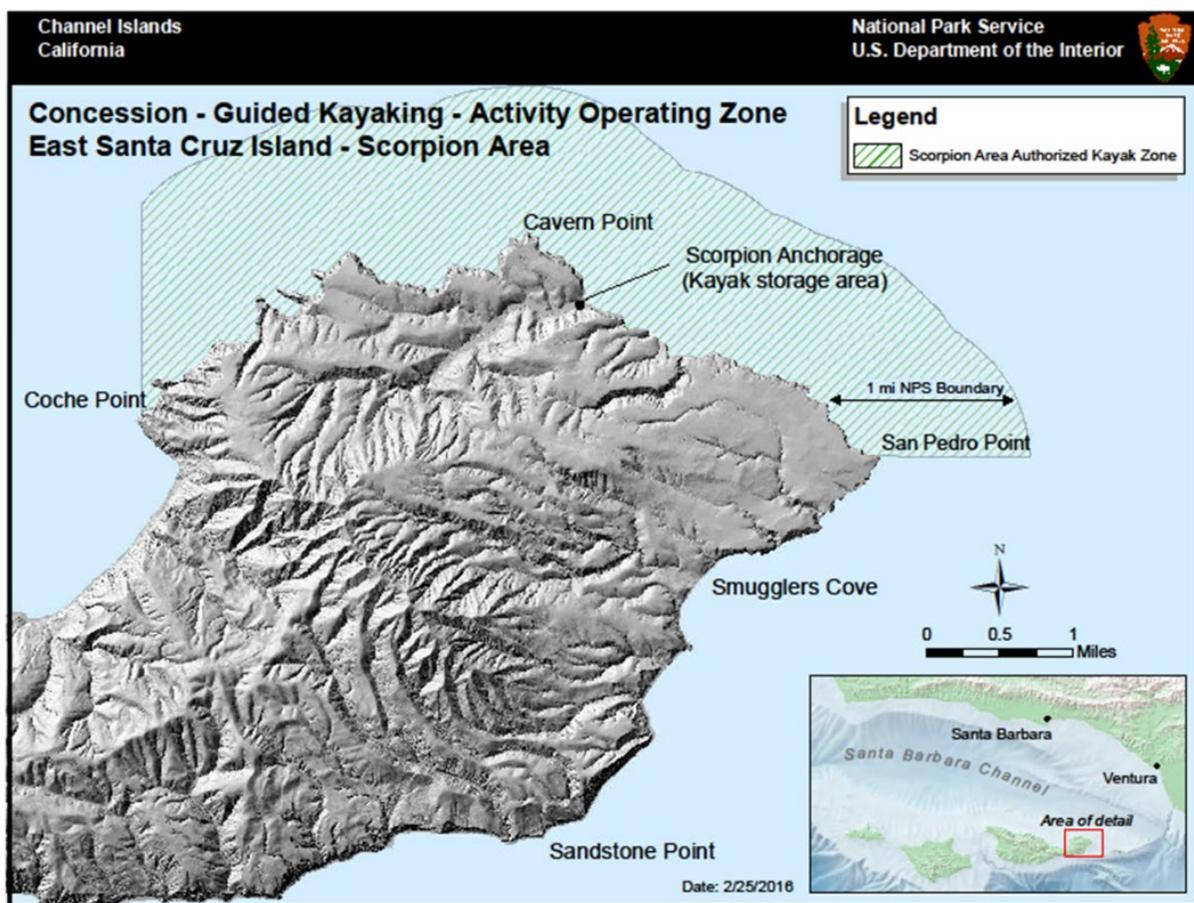
Popular visitor activities include swimming, snorkeling, scuba diving, hiking, camping, wildlife viewing, kayaking, sailing, and exploration of tide pools, beaches, and rugged canyons. The kelp forests, sea caves, clear water, and rich diversity of animals and plants make this one of the top scuba diving sites in the world. Visitor services are generally limited to restrooms and primitive campgrounds on each island.



Exhibit 2. Channel Islands National Park and Surrounding Region



Exhibit 3. Santa Cruz Island Detail with Authorized Kayak Zone



## VISITATION INFORMATION

Annual and monthly visitation data for CHIS appears below. Over the last 10 years, total visitation to the Park averaged approximately 325,000 visitors. The vast majority (approximately 80%) visit Santa Cruz Island, where the concession operation is located.

**Exhibit 4. Annual Recreation Visitation to Channel Islands National Park**

Year	Total Visitors	Percent Change
<b>2015</b>	324,816	--
<b>2016</b>	364,807	12.3%
<b>2017</b>	383,687	5.2%
<b>2018</b>	366,250	-4.5%
<b>2019</b>	409,630	11.8%
<b>2020</b>	167,290	-59.2%
<b>2021</b>	319,252	90.8%
<b>2022</b>	323,245	1.3%
<b>2023</b>	328,746	1.7%
<b>2024</b>	351,879	7.0%

**Exhibit 5. Channel Islands National Park Average Monthly Visitation (2021-2024)**

Month	Average Visitation (2021-2024)	Share of Average Visitation
January	12,164	3.9%
February	17,241	5.6%
March	21,774	7.1%
April	25,651	8.3%
May	26,542	8.6%
June	33,483	10.9%
July	37,610	12.2%
August	32,035	10.4%
September	30,025	9.7%
October	28,972	9.4%
November	25,703	8.3%
December	17,257	5.6%
<b>Total</b>	<b>308,456</b>	<b>100%</b>



## COMPLIANCE WITH FEDERAL, STATE, AND LOCAL LAWS AND PARK JURISDICTION

The Service owns and has proprietary jurisdiction of Anacapa, Santa Barbara, and Santa Rosa Islands, as well as the eastern 24% of Santa Cruz Island (The Nature Conservancy owns the western 76%). The Service manages San Miguel Island which is still property of the US Navy. The Park also includes Pacific waters within one nautical mile of all five islands. The Service enforces California Department of Fish and Wildlife regulations on these waters, including state marine reserves and conservation areas, and patrols and coordinates closely with the Channel Islands National Marine Sanctuary which is managed by the National Oceanic and Atmospheric Administration. Sanctuary waters extend six nautical miles out from each island.

### *Emergency Services*

Given the remote location of the Channel Islands, emergency response times are often lengthy and vary depending on the island and on weather. Emergency Services are coordinated through a partnership with the Park, Sequoia Dispatch, County Search and Rescue (SAR), the U.S. Coast Guard, and state and U.S. Forest Service wildland fire fighters.

Santa Cruz, Santa Rosa, Santa Barbara, and San Miguel Islands lie within Santa Barbara County, which provides the primary helicopter medical evacuation support. Anacapa Island lies within Ventura County, which provides primary helicopter medical evacuation support there. If one county cannot respond, the call will be handed off to the other county as a Mutual Aid request. On the water, the U.S. Coast Guard is the primary SAR agency. The Coast Guard can provide helicopter rescue response on the islands if the county helicopters are not available. The county aircraft are capable of Advanced Life Support (ALS) while the Coast Guard is limited to Basic Life Support (BLS). The Service provides law enforcement, EMS, and SAR within park boundaries. Response time is contingent upon location and staffing. The Service can provide EMS at the BLS level.

### *Wildland Fire*

The Service provides Wildland Fire Support for incidents occurring within Channel Islands National Park, but has very limited firefighting resources on the islands. The Park's Fire Management Program works closely with the US Forest Service, state and local resources to provide timely response to wildland fire events occurring in the Park.

### *Public Health and Safety*

US Public Health provides oversight and inspection of water systems and food and beverage operations for the concession facilities. The Service maintains a public water system at Scorpion.

### *Other Certifications*

The Concessioner must determine and obtain all permits, pay necessary taxes, and abide by required labor laws, if required or set higher than federal law, by the appropriate federal, state, or local authority to conduct business within the Area. The Operating Plan (Exhibit A to the Draft Contract) identifies operational codes the Service has chosen to apply to the operations provided under the Draft Contract.

## WEATHER AND NATURAL HAZARDS

Channel Islands National Park has a Mediterranean-type climate. This climate type is characterized by cool, wet winters with average annual rainfall of 8-40" and hot, dry summers. These climate regions occur in only five locations throughout the world including parts of California, along the Mediterranean Sea, central Chile, parts of southwestern Western and South Australia, and the southwestern Cape region of South Africa.



On the Channel Islands, the climate is moderated by the marine influence with the result that summers are milder, there is generally higher humidity, and there is more frequent nocturnal fog compared to the mainland. In the Köppen system of climate classification, this is a cool Mediterranean climate or a Mediterranean Dry Summer Subtropical climate type, with a cool summer regime.

December through March are the coolest months and July-October the hottest months in the Channel Islands. The average mean temperature in January ranges from 53-59 degrees F; summers are a little warmer with an average mean temperature in July that ranges from 62-70 degrees F. Both winter and summer temperatures extremes are moderated by the moist ocean air with generally high nighttime humidity's and frequent fog. Diurnal temperature differences are small with cool days and warm nights. The exception to the norm of relatively cool temperatures and high humidity's occurs occasionally in the fall with Santa Ana wind conditions when temperatures dramatically increase and humidity's decrease. Temperatures on the islands can reach 100°F. The prevailing winds in the Channel Islands come from the northwest and typically build throughout the day. Sea state increases with wind velocity. Winds become stronger and more persistent as one goes west among the islands. As with rainfall, fog duration, and relative humidity there are significant variations in temperature between the islands. Temperatures are typically lower as one goes westward. The Channel Islands are frost-free for the most part. The one exception is the central valley of Santa Cruz Island where its inland location and surrounding high mountains create a microclimate more characteristic of a warm Mediterranean climate such as that found on the mainland away from the immediate coast. This microclimate experiences freezing temperatures most years, higher average summer temperatures, and greater diurnal temperature variation.

Winter storm events (December-April) create unsettled/unstable ocean conditions. Low pressure systems in the Gulf of Alaska can create large northwest swell events in the Channel Islands. Unsettled/unstable ocean conditions may restrict access to Santa Cruz Island and may prohibit sea kayak operations. During the summer, storm events in Baja can generate significant south swell. Scorpion Valley can flood in heavy rains. The normally dry creek bed fills with water and can be impassible until rain subsides. Low lying areas in the valley near the beach become ponds. Soil in the valley turns muddy.

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## CONCESSION OPPORTUNITY

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The following section describes the services required and authorized by the Draft Contract, as well as other key terms and information regarding the future business opportunity.

### DRAFT CONTRACT TERM

The Draft Contract will have a term of ten (10) years, with an effective date of March 1, 2027.

### REQUIRED AND AUTHORIZED SERVICES: DRAFT CONTRACT

The following describes the Required Services (i.e., must be provided by the Concessioner) and Authorized Services (i.e., may be provided at the option of the Concessioner) specified in the Draft Contract. All services are located at the Scorpion Anchorage on Santa Cruz Island.

**Exhibit 6. Required Services**

<b>Services</b>	<b>Description</b>
Guided Water Float Tours	Provide sea kayak guide service at Scorpion, including kayak (and safety gear) instruction, island natural and cultural history, marine protected areas, species of concern, and resource protection education.
Retail	Limited to items such as sunscreen, sunglasses, hats, lip balm, and similar items.
Snorkel Equipment Rental	Provide on island snorkel equipment rental, including mask, snorkel, fins, wetsuits, and dive flags to support these on-island activities.

**Exhibit 7. Authorized Services**

<b>Services</b>	<b>Description</b>
Guided Snorkel Tours	Provide guided snorkel guide service, including snorkel (and safety gear) instruction, island natural and cultural history, marine protected areas, species of concern and resource protection education.

**OVERVIEW OF CONCESSION FACILITIES AND SERVICES**

Most visitors to the Park who intend to sea kayak will book their kayak tour reservation in advance. The vast majority of visitors access the island via the ferry service authorized under the Park's other concession contract. The Concessioner may assist clients with booking transportation to the island with the ferry service concessioner. Typically, clients gather in Ventura at the ferry service concessioner's departure point early enough to allow for 30 to 45 minutes of gear handling and paperwork. Boxed lunch and other food sales is not authorized under the Draft Contract. The Existing Concessioner arranges for boxed lunches to be sold and transferred to day visitors on the mainland from area restaurants prior to departure, if desired. Travel time from Ventura Harbor to the Scorpion Anchorage on Santa Cruz Island is approximately one hour. During

the channel crossing, clients are likely to see a variety of marine life including sea lions, seals, dolphins, or whales (though most likely during migratory seasons).

Upon arrival at the island, the Concessioner will greet clients and walk them to the opposite side of the beach to the Concessioner's operation area, which will include its storefront, gear boxes to store any items not needed while on the kayak, and kayaking gear such as helmets, PFDs, and paddles.

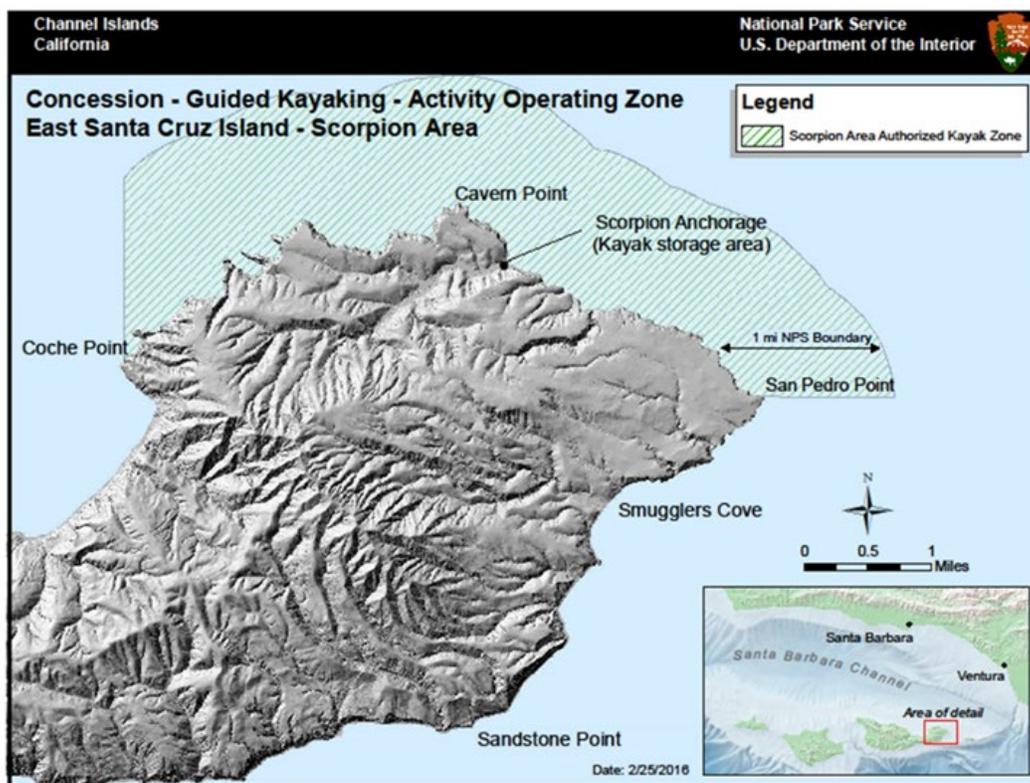
Included in the required services are a reservation system that allows Park visitors to book a sea kayak tour in advance of their visit or book a tour while on island (walk-up space permitting). This latter opportunity will better serve campers who were unaware of the opportunity and those day visitors who may want a different experience once on the island.

After sea kayak tours are completed, visitors can explore Santa Cruz Island prior to returning to the mainland. Ferry service back to the mainland departs in the late afternoon, returning clients around 5:00 or 6:00 PM depending on the ferry schedule, the wind and seas, and how much time is spent viewing marine life.

### **Guided Water Float Tours (Kayak)**

The Concessioner is permitted under the Draft Contract to operate in the waters from San Pedro Point west to Coche Point off Santa Cruz Island, as depicted in the map below:

#### **Exhibit 8. Santa Cruz Island Detail with Authorized Kayak Zone**



The Concessioner is required to provide kayak tours at least twice per day, seven days a week between March 1 and October 31. The Existing Concessioner currently offers guided sea kayak tours ranging from approximately 1 to 4 hours of kayaking, including morning and afternoon tour times. Prior to entering the water, clients receive orientation covering basic kayaking principles, etiquette, and safety. While on the water, clients paddle alongside towering cliffs; explore sea caves, rock gardens, and kelp forests; and encounter a variety of marine life.

The Concessioner is also authorized to conduct kayak tours during the dates outside of the required season. The Existing Concessioner currently operates year-round.

### ***Retail***

The Concessioner must sell from its storefront limited convenience items appropriate for sea kayaking items include sunscreen, sunglasses, hats, lip balm.

### ***Snorkel Equipment Rentals***

The Concessioner must offer snorkel equipment rental from its storefront.

### ***Authorized Services***

Under the Draft Contract, the Concessioner is authorized to offer guided snorkel tours.

### ***Employee Housing***

The Concessioner is required to provide employee housing for staff as detailed in Exhibit A (Operating Plan) and Exhibit C (Land Assignment). By approximately 2031 (subject to Service compliance and site readiness), the Concessioner must complete Personal Property Improvement Requirement ("PPIR") Project 2, detailed below. This project also requires improvements to the employee kitchen and dining space.

Prior to completion of the PPIR, the Concessioner will utilize the space detailed in Exhibit C for employee overnight spaces and for kitchen and dining.

## **FINANCIAL DATA**

This section presents revenue projections developed by the Service to assist Offerors in developing projections for future operations associated with the Draft Contract. These estimates reflect Service assumptions based on historical concession operating data, industry standards, economic conditions, and comparable and competitive operations. The Service does not guarantee these projections will materialize and assumes no liability for the accuracy of the projections presented. Offerors must compile and present their own financial projections based on their independent assumptions, due diligence, and industry knowledge. Additionally, the Service does not provide projections for authorized services, as these services may or may not be provided by the Concessioner.

### ***Revenue Assumptions***

First year revenue projections for required services appear in the table below.

#### **Exhibit 9. Draft Contract Projected Revenues (Year 1)**

<b>Category</b>	<b>Projected Revenues (2027)</b>
Guided Water Float Tours	\$2,880,000 - \$3,190,000
Retail	\$66,000 - \$73,000
Snorkel Rentals	\$82,000 - \$90,000
<b>Total Revenue</b>	<b>\$3,028,000 - \$3,353,000</b>

### Utilization Assumptions

The following exhibits provide a breakdown of projections of operating statistics by department and location.

#### Exhibit 10. Projected Guided Water Float Tour Statistics (2027)

Description	Range
Number of Kayak Riders	16,600 – 18,400
Average Ticket Price	\$164.75 - \$182.10

#### Exhibit 11. Projected Retail Statistics (2027)

Description	Range
Number of Transactions	3,100 – 3,500
Average Transaction \$	\$20.00 - \$22.10

#### Exhibit 12. Projected Snorkel Equipment Rental Operating Statistics (2027)

Description	Range
Number of Rentals	1,000 – 1,200
Average Transaction \$	\$74.00 - \$82.00

## INVESTMENT ANALYSIS

The Service estimates the total required initial investment by the Concessioner necessary to begin operations required by the Draft Contract, provided below. Offerors must complete their own due diligence and not rely on the Service's estimates in preparing and submitting its proposal in response to this Prospectus. The Existing Contract does not require the Existing Concessioner sell or transfer any personal property to the successor Concessioner.

#### Exhibit 13. Estimated Initial Investments

Required Investments	Estimated Amount (2027 Dollars)
Personal Property	\$300,000
Personal Property Investment Requirement (PPIR)	\$95,000
Start-up Costs	\$130,000
Working Capital	\$130,000
Inventory	\$60,000
<b>Total Estimated Initial Investment</b>	<b>\$715,000</b>

In addition to the Initial Investment estimates above, the Concessioner will also be required to make personal property investments totaling \$250,000 (in 2027 dollars), estimated to occur in 2031, as detailed in the PPIR section below.



## PERSONAL PROPERTY

The Concessioner must provide its own personal property to commence operations, such as personal property used for general concession administration and support, kayaks, safety gear, furniture, and equipment. To assist potential Offerors to better understand the type and quantity of personal property necessary for the operation of the Draft Contract, the Service has provided a list of the Existing Concessioner's personal property as an appendix to this Prospectus.

## PERSONAL PROPERTY IMPROVEMENT REQUIREMENT (PPIR)

The Draft Contract also requires the Concessioner to make other personal property improvements pursuant to a PPIR. The following exhibit summarizes the cost assumptions associated with this PPIR. These expenditures are in addition to the personal property acquisition assumed as part of the initial investment.

### Exhibit 14. Personal Property Improvement Requirements

Project	Projected Year of Expenditure	Estimated Personal Property Investment (2027 Dollars)
Concession Operation, Employee Housing, and Kitchen Areas	2027	\$95,000
Employee Housing and Kitchen Area	2031	\$180,000
Incinerator Eco-Toilets	2031	\$70,000
<b>Total Estimated PPIR</b>		<b>\$345,000</b>

**PPIR Project 1: Concession Operation Area.** The Service will require the Concessioner to upgrade the storefront and operational sheds in a manner that conforms with Park's Cultural Landscape Report ("CLR"). The sections within the CLR addressing concession operations at Santa Cruz Island have been included as an appendix to this Prospectus.

**PPIR Project 2: Employee Housing and Kitchen Area.** The Service will require the Concessioner to upgrade the employee housing and employee kitchen on Santa Cruz Island in a manner that conforms with the Park's CLR. This project will move the existing employee area located adjacent to the visitor campground to north of the Concessioner's concession operation area. The project will commence following the Service's completion of necessary compliance and site preparation work of the area.

**PPIR Project 3: Incinerator Eco-Toilets.** The Service will require the Concessioner to install two incinerator eco-toilets to minimize environmental impacts on Santa Cruz Island. These eco-toilets will be exclusively for the Concessioner's employee use.

## INVENTORY AND WORKING CAPITAL

The Concessioner will need beginning inventory and other working capital for account receivables and accounts payable.

## START-UP COSTS

At the start of the Draft Contract, the Concessioner will need to make a one-time investment in a range of activities to commence operations including hiring staff, training that may involve costs in addition to normal wages, implementation of appropriate information technology, quality control, and other systems, legal

services, and marketing and advertising beyond normal annual expenditures as well as other necessary start-up costs, such as operating supplies.

## LEASEHOLD SURRENDER INTEREST

The Concessioner is not responsible for any Leasehold Surrender Interest under the Draft Contract.

## DEFERRED MAINTENANCE

The Concessioner is not responsible for any Deferred Maintenance under the Draft Contract.

# OTHER DRAFT CONTRACT INFORMATION

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In addition to the investments listed above, the Draft Contract includes the following requirements that are ongoing throughout the term of the Draft Contract. The Offeror's proposal should address how the Offeror intends to fund these items or account for them. The following section also provides additional information beneficial for Offerors to understand regarding the Draft Contract.

## FRANCHISE FEE

Offerors must agree to pay the minimum franchise fee equal to **fifteen and sixth-tenths of a percent (15.6%)** of the Concessioner's annual gross receipts as set out in Principal Selection Factor 5 of the Proposal Package. In determining the minimum franchise fee, the Service, using available industry data, considered the probable value to the Concessioner of the privileges granted by the Draft Contract. This probable value is based upon a reasonable opportunity for net profit in relation to capital invested and the obligations of the Draft Contract including anticipated revenues and expenses. Offerors, however, may propose a higher minimum franchise fee, as described in the Proposal Package.

## INSURANCE REQUIREMENTS

In the Draft Contract, Exhibit D (Assigned Land and Real Property Improvements) and Exhibit I (Insurance), the Service included the minimum building insurance requirements for the Concession Facilities and minimum liability insurance requirements required by the Draft Contract.

## UTILITIES

Independent and public suppliers of utility services are not available on Santa Cruz Island. The Concessioner must provide its own electrical services, if desired. Temporary, removable solar will be permitted within the land assignment, to be installed as the Concessioner's personal property. Where applicable, propane may be permitted to replace solar. No generators will be permitted.

The Service will provide water and wastewater service to the Concessioner. The Service charges utility users (including concessioners) the utility systems' operating and maintenance costs and amortized cost of capital improvements to utility systems. The Service has reviewed projected operating and maintenance costs and amortized costs of capital improvements for these utility systems and services and has developed projected rates. The projected rate for water will be a \$65 meter charge per month plus \$10 per hundred cubic feet (HCF) of water used. The projected wastewater rate will be a \$40 per month meter charge plus \$6 per HCF. The Service has incorporated this rate into its franchise fee calculation and will not approve a utility add-on. Refer to Director's Order #35B for more information on this policy.



## MINIMUM WAGE

The minimum wage requirements of the State of California will apply to the Draft Contract. The Service has considered the implications of State minimum wage requirements in the analysis of the minimum franchise fee, and Offerors must consider the impacts of State minimum wage requirements when developing their financial projections.

## PREFERRED OFFEROR DETERMINATION

The Director, pursuant to 36 C.F.R. Part 51, Subparts E and F, has determined the Draft Contract is not a qualified concession contract, and therefore, no preferred offeror for the Draft Contract exists. The Draft Contract is not a qualified concession contract because it is estimated to result in annual gross receipts of more than \$500,000 in the first 12 months of its term and because it is not an outfitter and guide concession contract. 36 C.F.R. § 51.37. The Draft Contract is not an outfitter and guide concession contract because it does not “solely” authorize or require the conduct of specialized outdoor recreation guide services in the backcountry of the park area. 36 C.F.R. § 51.38(a). The Draft Contract requires retail and snorkel equipment rentals to be offered at a Concessioner-furnished storefront located inland from the Scorpion Anchorage on Santa Cruz Island. Additionally, no preferred offeror for the Draft Contract exists because the existing concession contract, Concession Contract No. CC-CHIS004-17 (Existing Contract), is also not an outfitter and guide contract. 36 C.F.R. § 51.36(c). The Existing Contract also does not “solely” authorize or require the conduct of specialized outdoor recreation guide services in the backcountry of the park area, as it authorizes limited convenience item sales and snorkel equipment rental services from a Concessioner-furnished storefront located inland from the Scorpion Anchorage on Santa Cruz Island. 36 C.F.R. § 51.38(a). The solicitation for Concession Contract No. CC-CHIS004-27 is open and fully competitive.

## PENDING CONSTRUCTION PROJECTS

The Service is in the planning stages of several projects on Santa Cruz Island and will inform the Concessioner as appropriate. No significant disruptions to the concession operation are anticipated.

## COMPETITIVE ENVIRONMENT IN AND AROUND THE PARK

This opportunity exists in a limited but highly competitive marketplace, with the sole primary regional competitor being Channel Islands Expeditions (CIX). CIX operates vessel-supported sea kayaking and snorkel tours out of Oxnard, as well as Painted Cave (Santa Cruz Island) kayaking and snorkel tours out of Santa Barbara. Pricing remains highly competitive between the Existing Concessioner and CIX, taking into consideration the additional ticket costs, from the Park’s ferry vessel transportation concessioner Island Packers, that nearly all clientele of the services provided under the Draft Contract incur.

The other guided kayak tour businesses located in the region (Catalina, Pismo Beach, Avila Beach) are located further away from the Park and differ in terms of services, equipment, and experiences provided. Additionally, there is the Island Packers point of embarkation in Ventura Harbor (Channel Islands Kayak Center), where visitors can rent kayaks and then deliver them into the Park by Island Packers vessels. However, this service is self-guided, limited to only a few watercraft daily.



# EXISTING CONCESSION CONTRACT

The Existing Contract commenced on March 1, 2017, and is set to expire on February 28, 2027.

## CONCESSION OPERATIONAL PERFORMANCE OVERVIEW

The following exhibits present historical annual gross receipts by department and franchise fees paid to the Service from calendar year 2022-2024 under the Existing Contract. The Existing Concessioner pays a franchise fee of fifteen and four-tenths of a percent (15.4%) of gross receipts.

### Exhibit 15. Existing CHIS004 Historical Department and Total Revenues

Department	2022	2023	2024
Guided Kayak / Snorkel Tours	\$2,913,843	\$3,026,072	\$3,356,202
Retail	\$64,664	\$67,869	\$79,373
Equipment Rental	\$93,030	\$65,963	\$82,276
<b>Total Revenue</b>	<b>\$3,071,537</b>	<b>\$3,159,904</b>	<b>\$3,517,851</b>
Franchise Fees Paid	\$473,017	\$486,625	\$541,749





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