

Lake Tahoe Basin Prospectus for Granger-Thye Concession Operation and Maintenance of Camp Richardson Resort.

Posted on SAM.gov: September 1, 2022

Errata #1, Optional Private Investment.

Change language to remove Optional Private Investment in all instances. Deleted language is ~~struck out~~, new language is underlined.

Section 1.1, The Authorized Officer may extend the permit term to 30 years contingent on higher fee return to government via Annual Fees, and Optional Consolidated Fees, ~~and/or Optional Private Investment.~~

Section 1.13, For individual projects, proponents must also identify the source(s) of funding such as Granger-Thye fee offset, ~~Optional Private Investment~~, or Optional Consolidated Land Use Fee Payment.

Section 3.2, The Authorized Officer may extend the permit term to 30 years contingent on higher fee return to government via Required Annual Fees and Optional Consolidated Fees, ~~and/or Optional Private Investments~~ as described in applicant proposals.

Section 4.3,

Fees to the Government

The Fees to Government are captured via ~~three~~ two methods:

- 1) Required Minimum Annual Fee
- ~~2) Optional Private Investment~~
- 2) Optional Consolidated Land Use Fee Payment

Applications that propose a higher fee to Government will receive greater consideration in the selection process and may be considered for a permit for 20 years plus a 10-year extension.

1. *Required Minimum Annual Fee*

The *Required Minimum Annual Fee* for Camp Richardson Resort will be eight percent of adjusted gross revenue (AGR). A higher fee can be proposed.

~~2. *Optional Private Investment*~~

~~Applicants may propose to include an *Optional Private Investment* which must be invested in resort facilities and infrastructure. The purpose of the optional private investment is to facilitate construction and investment in government-owned improvements while supporting long term business plan objectives. Private Investment may be directed toward a scope of work that is not~~

~~eligible for GT fee offset. Any Private Investment must be approved by the Authorized Official prior to investment and be accomplished within the first five years of the term of the permit. Bids that propose a Private Investment greater than \$2 million will receive greater consideration in the selection process.~~

2. Optional Consolidated Land Use Fee Payment

Applicants may propose an *Optional Consolidated Land Use Fee Payment* to finance a GT fee offset project(s) for reconstruction or improvement of government-owned facilities in advance of generating GT fee offset funds. Consolidated land use fees would be credited against future land use fees. Applications may propose a consolidated fee up to 50 percent of the fee due to Government over the term of the permit.

The maximum optional consolidated land use fee payment to be considered will be determined by multiplying the average annual gross revenue of the offering for the past 3 years (adjusted, if applicable, based on expansion or contraction of the concession) by the number of years the land use fee payments will be consolidated, and multiplying the product by the percentage of gross revenue (annual use fee) proposed by the applicant, then divided by 2 (50%).

For example, if an application proposes an annual fee of eight percent Adjusted Gross Revenue (AGR) and projects estimated annual revenue of \$10 million, the advanced fee offset work may not exceed \$12 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.

Example:

$$\begin{array}{rcl} (\$10 \text{ million AGR}) \times (8\% \text{ Fee to} & = & \$12,000,000 \\ \text{Government}) \times (30 \text{ -number of years} & \text{Maximum Consolidated} & \\ \text{consolidated)} & \text{Fee} & \\ \hline & 2 (50\%) & \end{array}$$

If the Forest Service will perform the GT offset work using a collection agreement, consolidated land use fee payment must be made when the first land use fee payment otherwise would have been due for the consolidated period. If the holder will perform the GT fee offset work, the holder must commence environmental analysis or actual work within the first six months of the consolidated fee period and must complete the work within 36 months of the beginning of the consolidated fee period.

As mentioned, in ~~all three~~ both categories, bids that propose a higher fee to Government will receive greater consideration in the selection process and may be considered for a 30-year permit. A GT Plan will be submitted annually that accounts for both consolidated fee projects *and for yearly projects that are needed to maintain recreation sites to Forest Service standards*. At the midpoint of the consolidated fee period, the consolidated land use fee will be compared to actual gross revenues and adjusted as necessary for the remainder of the consolidated fee period.

Note the fee clause in the special use permit will be updated to reflect bid information. The proposed fee to the Government also must be included in the business plan as an expense item in the cash flow projections.