

**Caneel Bay Lease RFQ
Questions and Answers – Batch 1**

Question 1

What do you want to do with the dock at Caneel Bay?

Answer

The dock will remain under the management of the NPS. There is an opportunity for the future operator to utilize the dock in their operation. Currently, the dock has been assessed by NPS structural engineers and has been deemed unsafe in its current condition. It is closed with signage indicating it is unsafe. The NPS has developed a project to replace the dock, but funding has not been identified at this time. It is unlikely funding will be available for several years.

Question 2

We are writing you to ask about getting any Financials from the previous property management company. Looking for sales figures, profit margins, and any other Financials that will help in doing our due diligence. As well as cost estimates based on the number of units needing repair or replacement. To help us determine the cost of the project and determine if it's a profitable business investment.

Answer

The previous operator's financial information will need to be obtained from the previous operator. The NPS does not have any cost estimates for replacing or repairing any existing buildings. The NPS is asking offerors to use their best professional judgement to determine which buildings need to be retained to accomplish their redevelopment goals and to estimate the costs based on their experience.

Question 3

Building Height Restrictions. Are there any specific restrictions or regulations on how tall we can

Answer

Structures are limited to two stories.

Question 4

Public Path to Beach Access. Are there specific requirements or regulations regarding the public

Answer

There are no specific requirements for public beach access and the offeror can propose modifications to the existing layout based on their redevelopment plans.

Question 5

Management of Waterfront Cabins (1–13). Who will be responsible for managing the leases for

Answer

The NPS will manage the use of cottages 1-13. Per the FONSI, the area could be used to provide simple exhibits featuring local crafts, music, literature, visual arts, or cuisine.

Question 6

Beachfront Dock Plans. What are the National Park's plans for the beachfront dock? How do you

Answer

See response to question 1.

Question 7

Is park responsible for asbestos cleanup and providing an asbestos free property to Developer?

Answer

The NPS has removed some, but not all of the asbestos material on the property. The developer will be responsible for removing and disposing any of the existing facilities and materials that are on the premises as part of their redevelopment proposal.

Question 8

Red hook NPS dock/facility. Will developer have access for exclusive or non-exclusive use and could structures be added and parking/access modified if desired?

Answer

Leaseholder will not have exclusive use of the Red Hook facility. Any modifications to the current facility will require NPS review, concurrence, and compliance.

Question 9

What grant or incentive programs are available from the Department of Interior or federal government to support the property's development?

Answer

The NPS is not aware of any federal grant or incentive funds available to support the property's redevelopment. However, as stated on page 2 of the RFQ, "the NPS has the statutory authority, through the Secretary of the Interior, to 'adjust the rental amount as appropriate to take into account any amounts to be expended by the lessee for preservation, maintenance, restoration, improvement, or repair and related expenses.' Historically this has been accomplished through rent offsets or with reduced rent."

Question 10

Can you clarify the RFQ references to bids for operators or concessionaires, including:

- a. Details on other concessions offered and their timelines.
- b. Whether the resort developer can bid for these operations within the resort redevelopment proposal or if separate submissions are required.

Answer

The NPS does not currently have a timeline for the issuance of concession contracts or the activities that may be authorized under concession contracts in the areas outside the Resort Development Area. The resort developer will need to submit separate bids for concession opportunities outside of the resort redevelopment area.

Question 11

Is the National Park dockage area in Red Hook available for guest and employee arrivals/departures, including the construction of a small welcome center?

Answer

See response to question 8.

Question 12

Does the dock at Caneel Bay fall under developer control for guest operations, or is public access required?

Answer

See response to question 1.

Question 13

Does NPS have specific size resort they are looking for, i.e. must be larger than X amount of rooms to be considered?

Answer

Per the RFQ, "The NPS is interested in creating an overnight guest experience that represents the design intent of the Resort from the mid-twentieth century. All overnight lodging must be limited to no more than 166 guest rooms."

Question 14

Since Zozo's Restaurant can't be redeveloped at the Sugar Mill can a replacement structure be added elsewhere?

Answer

The NPS will consider proposals to develop areas of the property to provide additional services.

Question 15

Has the National Park Service assessed the cisterns' condition on the property?

Answer

No, the NPS has not assessed the existing cistern.

Question 16

Are there adjacent property water rights to consider for maximizing water collection and reuse?

Answer

None that the NPS is aware of.

Question 17

Will new development group need to deal with Army Corp of Engineers as part of the redevelopment?

Answer

It depends on the proposed design.

Question 18

Is the referenced *Redevelopment Suitability Analysis* available, and can we access it?

Answer

See Figure 5. Redevelopment Suitability Analysis in the Caneel Bay Redevelopment and Management Environmental Assessment.

<https://parkplanning.nps.gov/document.cfm?parkID=412&projectID=101399&documentID=125733>

Question 19

Can the Red Hook dock be included in our proposal for additional access, and are there any usage limitations?

Answer

See response to question 8.

Question 20

Will the building behind the dive shop be rented to local businesses/vendors by the Park Service?

Answer

Cottages 1-13 are within the NPS's Interpretive/Engagement Zone and designated for community use. NPS will retain these structures

Question 21

How does Leasehold Surrender Interest (LSI) affect buyout?

Answer

There is no Leasehold Surrender Interest associated with this opportunity.

Question 22

What are the implications of CPI and depreciation on equipment sales as part of Leasehold Surrender Interest (LSI)?

Answer

There is no Leasehold Surrender Interest associated with this opportunity.

Question 23

How does the NPS determine fair market value rent for the leasehold interest?

Answer

The NPS will determine the fair market value rent for the leased premises based on the scope and scale of the proposed redevelopment and in consultation with the Department of the Interior Appraisal and Valuation Services Office (AVSO).

Question 24

Does the National Park Service prefer an independent or flagged hotel for the redevelopment?

Answer

The NPS does not have a preference.

Question 25

Can we use the name "Caneel Bay Resort"?

Answer

Page 2 of the RFQ provides the following: "Ataraxia Hospitality LLC currently holds five federal trademarks related to the Caneel Bay resort, including three wordmarks and two design marks in the classes for hotel and restaurant services, land and resort management, and clothing and apparel. Any use of these trademarks in association with the leasehold interest conveyed under this opportunity will require the permission of the registered owner. The NPS does not require a leaseholder to use any preexisting trademarks associated with this site. Neither does the NPS prohibit a leaseholder from acquiring any interest in whole or in part to the preexisting trademarks for use at this site."

Question 26

Can you provide historical operating data for Caneel Bay prior to the hurricanes, including occupancy rates, revenue, and expenses?

Answer

See response to question 2.

Question 27

Will redevelopment of the existing structures at Caneel Beach and Scott Beach be permitted, assuming they can be built to withstand future storm surges and wind loads?

Answer

Yes