



Spring Creek Recreation Area

Prospectus for Restaurant Food Services Hughes County, South Dakota

South Dakota Department of Game, Fish and Parks
Division of Parks and Recreation

SPRING CREEK RECREATION AREA

Prospectus for Restaurant Food Services

South Dakota Division of Parks and Recreation

Date Issued: March 10, 2025

Offer Must be Received By: 8:00 A.M. Central Standard Time on
April 15, 2025

Address Proposals to:

Jeffrey A. VanMeeteren, Director
South Dakota Department of Game, Fish and Parks
Division of Parks and Recreation
523 East Capitol
Pierre, SD 57501

BUSINESS OPPORTUNITY

The Business Opportunity section of this Prospectus describes the required and optional services.

Required Services for the Concession Contract

1. Restaurant food and beverage service.

Optional Services for the Concession Contract

1. Convenience store operation including:
 - a. Fuel sales
 - b. Bait and tackle sales
 - c. Food and grocery items, beverage sales
 - d. Park Entrance License, fishing and hunting license sales

Gross Revenues by Year

2022	2023	2024
\$225,453	\$242,120	\$248,902

PROPOSED MINIMUM FRANCHISE FEE

The minimum Franchise Fee for this opportunity will be established at four percent (4%) of Gross Receipts or payment for the restaurant's share of utility usage and garbage disposal which is estimated to be roughly \$10,000 annually.

PROPOSED MINIMUM SECURITY DEPOSIT

Minimum Security Deposit of \$5,000.

Tenant is responsible to keep the facility clean, sanitary, and in good condition, and other than ordinary wear and tear, return the facility to the Department in the same or better condition as at the beginning of the lease.

TERM OF DRAFT CONTRACT

Base 3-year term with a 5-year maximum option.

LIQUOR LICENSE AVAILABLE

The Department makes available for transfer and use by Concessionaire an alcoholic beverage license. The Concessionaire will be responsible for reimbursing the Department for the cost of the license of \$1,500 as well as annual renewal fees. The Liquor License is required to be transferred back to the Department at the end of the Agreement.

FULLY EQUIPPED RESTAURANT AVAILABLE FOR USE:

- Dining area is approximately 900 square feet with seating for 50
- Full Bar, bar area is approximately 560 square feet with seating for 40
- Special event room is approximately 840 square feet with capacity for up to 48
- Outside deck 12' x 54' with a maximum capacity of roughly 26
- Full Kitchen (Grill, Ovens, Fryer, Utensils)
 - Detailed list included in the attached draft Concession Agreement
- Tables and Chairs
- Salad Bar
- Office and storage Space
- Freezers

OPTIONAL CONVENIENCE STORE:

The Department is offering the operation of the C-Store as an optional service in addition to the required restaurant food service. Bidders interested in C-Store operations should clearly state their intent and incorporate C-Store operations into their proposal. All minimum fees and other terms of the draft lease will be applicable to C-Store operations, if included in the final Concession Agreement.

The following space and equipment would be made available for C-Store operations:

- Convenience store area is approximately 700 square feet
 - Located in the floor level of the building directly below the restaurant area
 - Separate entry access from parking lot
- 4 Door Stand up food and beverage cooler
- Ice Cream cooler
- Stand up minnow cooler and minnow tank
- 2 ice coolers
- Merchandise Shelving

Below is the revenue reported for 2024 C-Store sales at Spring Creek under GFP management. GFP does not sell alcohol or tobacco products. Limited food items are made available under GFP management.

2024 Spring Creek C-Store Revenue		
Fuel	\$	21,000
Ice	\$	8,100
Bait	\$	4,400
Miscellaneous	\$	25,000
Total	\$	58,500

SITE VISIT

A site visit may be scheduled for intended bidders which will include a Park overview, on-site tour and inspection of resort facilities and property. Please contact Sean Blanchette for further details regarding a site visit.

Sean Blanchette
South Dakota Department of Game, Fish and Parks
Division of Parks and Recreation
523 E Capitol Avenue
Pierre, SD 57501
(605) 773-3391

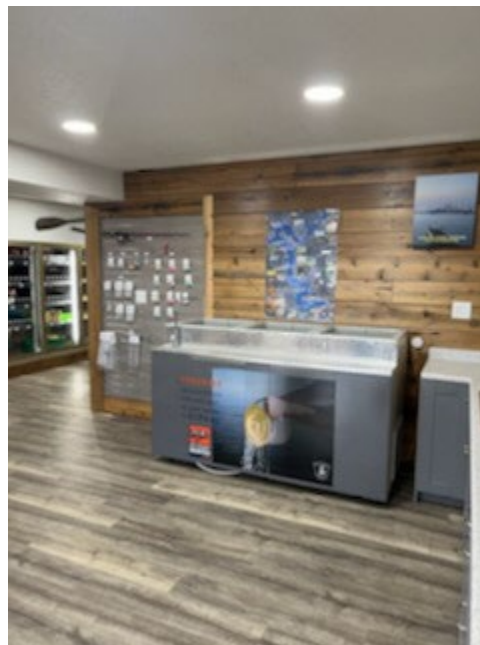
RESTAURANT







C-STORE





Source: State of South Dakota

PARK OVERVIEW

Located in the Missouri River region of South Dakota, the Spring Creek Recreation Area is a popular site providing access and recreational services to the largest body of water in South Dakota, Lake Oahe. Spring Creek Recreation Area is 149 acres and has over five miles of shoreline. The Park is adjacent to Cow Creek Recreation Area, which is a more developed recreation area on the north and west sides of the Spring Creek peninsula.

Spring Creek Recreation Area consists of the following State-owned and operated facilities:

- Multi-lane boat ramp at Spring Creek Resort operates from maximum operating pool of 1620 msl to 1565 msl, a range of fifty-five vertical feet.
- Double-lane boat ramp at Lighthouse Point operating from the maximum operating pool of 1620 msl to 1578 msl.
- Two fish cleaning stations and associated vault toilets.
- Full service Marina
- Comfort Station at the marina
 - 16 lodging units
 - Convenience store

Nearby Cow Creek Recreation Area consists of the following features

- Multi-lane boat ramp operates from maximum operating pool of 1620 msl to 1565 msl, a range of fifty-five vertical feet
- 46 total campsites
- 38 electrical campsites
- 4 Camping Cabins
- Comfort station
- Fish cleaning station
- Picnic shelter

Spring Creek Recreation Area



Source: State of South Dakota

PROPOSAL INSTRUCTIONS

1) Submission of Proposal

- a) Proposals must be received by the due date shown on the front page of this Prospectus.
- b) Proposals must include completion of the forms provided in Exhibit 1 and Exhibit 2 of this Prospectus.
- c) All proposals must be submitted to Jeffrey A. VanMeeteren, Director, Division of Parks and Recreation, 523 E Capital Avenue, Joe Foss Building, Pierre, SD 57501. Any information received in the proposals will be confidential and will not be released by the Division unless requested by the bidder to do so. Unsuccessful bids or bids received after the deadline will be returned to the bidder. Late bids will be returned unopened.

2) Questions

- a) If you have questions, please contact the following person no later than April 7, 2025.
Sean Blanchette
South Dakota Department of Game, Fish and Parks
Division of Parks and Recreation
1-605-773-3391
523 E Capital Avenue
Joe Foss Building
Pierre, SD 57501

3) Evaluation of Offers

- a) All proposals received by the deadline will be evaluated by the Division of Parks and Recreation based on the following factors:
 - Related managerial and operational experience
 - Financial Capabilities
 - Sales and marketing
- b) The Division of Parks and Recreation reserves the right to reject or disregard any proposals submitted.
- c) The Division of Parks and Recreation reserves the right to make counter proposals which it may consider reasonable or desirable, and it reserves the right to negotiate with the bidder making the proposal deemed best to achieve the most desirable Agreement.
- d) The bidder, by submission of this proposal, agrees that if selected by the Department, to complete the negotiation and execution of an agreement within 30 days of notification by the Department.
- e) Bidders interested in operation of the C-Store in addition to the Restaurant must clearly state their intent in their proposal. The bidder should answer all questions in the proposal package to reflect their overall business plan, with C-store operations included.

4) Cautions to Offerors about Submission and Evaluation of Proposals

- a) The proposal includes the selection factors to be used by the Department to evaluate proposals. Under each factor, the Department identifies subfactors to ensure that all elements of the factor are considered. You, the Offeror, should ensure that you fully address all of the selection factors and related subfactors.
- b) Offerors are responsible for undertaking appropriate due diligence with respect to this business opportunity.

- c) The Department makes no representations as to the profitability or financial feasibility of the Spring Creek Restaurant business opportunity.
- d) The Offeror assumes all financial risks and liabilities associated with the sale transaction, investment and operation of Spring Creek Resort Restaurant and further releases, indemnifies and holds harmless the Department from any responsibility for any such risk or liability.

PROPOSAL PACKAGE

PART 1: MANAGERIAL EXPERIENCE

STATE'S OBJECTIVES

The Department is interested in appointing a concessionaire who has the relevant management and operational experience to manage the restaurant operation at Spring Creek Recreation Area. Bidders interested in C-Store operations must include related information in their responses to each of the questions below.

QUESTIONS

Question 1.1 Resume and experience of key executive personnel

Demonstrate that your organization's key executive personnel have the experience and skills to effectively carry out the responsibilities of the concession.

Question 1.2 Outline your organizational structure

Demonstrate that your organization is structured to effectively carry out the responsibilities of the restaurant.

Question 1.3 Outline management team for Spring Creek Restaurant services

Demonstrate that your management team can effectively carry out the responsibilities of the concession by describing the qualifications of the person you would employ. Include relevant experience, minimum qualifications, certifications (if applicable), and education in a consistent format.

Question 1.4 Prior experience

The Department believes that past experience is an indication of future performance. Please provide example(s) of your experience in the operation of food and beverage service. The Department will evaluate, among other factors, the length of experience, and the size and scope of the operation.

PART 2: FINANCIAL CAPABILITIES

Question 2.1 Initial Investment Schedule

Demonstrate your understanding of the financial obligations of the draft Concession Agreement by providing your estimates of the start-up costs of this business using the Startup Cost form included in Exhibit 2 of this prospectus. The information provided should be of sufficient detail to allow a reviewer to fully understand how the estimates were determined.

Question 2.2 Sources of Capital

Demonstrate your ability to obtain the initial investment detailed above. Identify the source(s) of the funds and provide compelling documentation of your ability to obtain the funds from these sources. Explain fully the financial arrangements you propose, using the following guidelines:

- a. Document each source and availability of all funds with your current financial statements, financing agreements, letters of commitment, or similar supporting documents.
- b. If funds are to be obtained from lending institutions (banks, savings and loans, etc.), include a letter (addressed to the lender and containing all appropriate bank contact information) permitting the lender to release any information to the State concerning the financing arrangements of this opportunity. Include the contact name on the letter.
- c. If funds are to be obtained from an individual, or a corporation whose primary fund source is an individual, provide the following as appropriate:
 - Current personal financial statement for the primary source of funds.
 - Documentation of any assets to be sold.

Question 2.3 Franchise Fee

The minimum franchise fee acceptable to the State is four percent (4%) of gross receipts, or direct reimbursement to the State of the restaurant operations share of utility usage and garbage disposal. The estimated annual restaurant utility usage is approximately \$10,000.

The offer of a higher franchise fee than this minimum is generally beneficial to the State and accordingly will generally be more favorably evaluated. However, the State will balance consideration of revenue with its objectives of protecting, conserving, and preserving resources of the park area and of providing visitor services to the public at reasonable rates.

State the franchise fee or payment that you propose. A proposed franchise fee must at least equal the minimum franchise fee set forth above. Express this fee as a percentage of annual gross receipts.

PART 3: SALES, MARKETING AND PRODUCT OFFERING

STATE'S OBJECTIVES

In addition to managerial capability, the Department has identified sales and marketing as being critical to the success of operations at Spring Creek Recreation Area.

QUESTIONS

Question 3.1 Sales and Marketing

Please provide a sample marketing plan for the restaurant at Spring Creek Recreation Area that will provide for the maximum public use and business growth. Please indicate all media to be utilized.

Question 3.2 Product Offering

Please provide a sample menu and the planned days and hours of your proposed operation.

EXHIBIT 1: OFFER LETTER

Jeffrey A. VanMeeteren, Director
South Dakota Division of Parks and Recreation
523 East Capitol Avenue
Pierre, SD 57501-3185

Dear Mr. VanMeeteren:

I hereby agree to provide food and beverage at Spring Creek Recreation Area in accordance with the terms and conditions specified in the prospectus, draft concession agreement provided in the Prospectus; and to execute the draft concession agreement. I have attached, to support my offer, those items as described in the Prospectus.

By submitting this Proposal I hereby agree, if selected for award of the next concession lease:

1. To commence operations under the next concession lease on the effective date of the lease
2. To resolve any disputes that may occur in accordance with the Administrative Rules of South Dakota

If selected by the Game, Fish and Parks Commission, I agree, within 30 days of notification and acceptance of my offer, to enter into negotiations with the South Dakota Department of Game, Fish and Parks for a concession agreement to furnish the accommodations and services as described in the prospectus.

Sincerely,

Signature

Address _____

Phone Number _____

EXHIBIT 2: INITIAL START-UP COST ESTIMATE

Administrative Expenses

Liquor License	\$	<u>1,500.00</u>	
Security Deposit	\$	<u>5,000.00</u>	
Liability Insurance	\$	_____	
Accounting Services	\$	_____	
			\$ _____

Immediate Purchases

Personal Property	\$	_____	
Inventory	\$	_____	
Merchandise	\$	_____	
Supplies	\$	_____	
			\$ _____

Initial Working Capital

\$ _____

Total Estimated Startup Cost

\$ _____

All Offerors must include their estimate of the value of all property intended, whether planned for acquisition or currently owned, for use in the new Agreement
 Provide cost estimates for all intended purchases