

# Yosemite bid documents provide inside look at lucrative concessions

By Michael Doyle and Mark Grossi



Yosemite National Park's historic Ahwahnee Hotel

JOHN WALKER — The Fresno Bee [Buy Photo](#)

The [next contract to run the concessions](#) at Yosemite National Park is a lucrative and complicated package that's shedding light on business in the park even as it raises questions about who owns some famous park names.

Gross revenues from Yosemite concessions — hotels, gift shops, restaurants and other services — are expected to range between \$129 million and \$146.6 million in the contract's first year, starting in 2016, National Park Service documents show. Over the last three years, documents show, gross revenues have averaged \$131.5 million.

The next concession operator will cope with renovations at the famed [Ahwahnee Hotel](#), including a revenue-reducing six-week closure planned for 2020. It will manage thousands of specified, sometimes nit-picking, tasks, ranging from snow shoveling to drug-testing employees.

"Yosemite, by far, has the biggest concession contract in the [National Park Service](#)," said Yosemite spokesman Scott Gediman. "In other parks, retail, lodging, food and other things are split up. But, here, it is all together."

The Yosemite National Park concession details are spelled out in voluminous documents published by the National Park Service. They cover everything from an inventory of the park's grease traps and a requirement that "particles shall be cleaned off grills after each barbecue" to the fact that bar sales account for about 4% of total concession

revenues.

The park service has set a Jan. 21 deadline for bids. In one potential sign of interest, or at least of the contract's complexity, the park service has already fielded more than 340 written questions about various details.

With 3.6 million visitors in 2013, Yosemite ranked beneath only [Grand Canyon](#) and [Great Smoky Mountains](#) in overall visitation. The traffic translates into dollars — for the companies that control concessions. More business also means more money for the park service, which some consider a mixed blessing.

In the 1990s, some environmentalists criticized the Yosemite concession contract because it increased the National Park Service's fee from a few hundred thousand dollars each year to millions of dollars. That gives the Park Service reason to let as many people as want visit the park, despite concerns that hordes of visitors ultimately degrade the park's environment, critics said.

"Some people thought the higher fee made it less desirable for the Park Service to get a handle on unlimited demand to see Yosemite," [Sierra Club](#) activist George Whitmore said Friday. "The park service still is not dealing with unlimited demand."

Currently, park concessions are under contract to DNC Parks & Resorts at Yosemite, a subsidiary of Delaware North, a privately held Buffalo, New York, company that also operates concessions at more than 30 airports, 60-plus sports and entertainment venues and a number of state and national parks. A Delaware North subsidiary [won a 15-year contract in August](#) to operate some services on Grand Canyon's South Rim.

"You won't find us center-stage. That's not our role. And it's not even our style," Delaware North says on its website. "We work behind the scenes, making each experience, moment and memory the best it can be."

Some of the behind-the-scenes work is political.

In the past two years, public records show, Delaware North paid \$750,000 to the Washington, D.C.-based lobbying powerhouse [Akin Gump Strauss Hauer & Feld](#). The company's executives also contribute regularly to candidates from both parties; recipients in recent years have ranged from liberal Rep. George Miller, D-Martinez, to conservative House Majority Leader Kevin McCarthy, R-Bakersfield.

Other behind-the-scenes work is more technical.

Since securing the Yosemite concession contract in 1993, Delaware North and its Yosemite subsidiary have obtained trademarks on the names of key park landmarks, including "The Ahwahnee," "[Wawona](#)," "Badger Pass," and "Curry Village," according to U.S. Patent and Trademark Office records. Even the term "Yosemite National Park," when used on products like coffee mugs and golf shirts, has been trademarked.

The concession company has valued the intellectual property in the trademarked names at \$51 million, part of an overall \$100 million value placed on all of the company's Yosemite investments. The company maintains it would be owed this money if another company secures the Yosemite contract.

Park Service officials question, among other things, the dollar value that Delaware North puts on the trademarked names.

"Although the intellectual property appraisal report describes valuation methods and approaches in detail, it merely presents a chart with a single figure purporting to represent the fair market value of the asset," Park Service officials wrote Nov. 20. "No assumptions, projected revenues or royalty rates are cited."

In an interview last week, Lisa Cesaro, a spokeswoman for DNC Parks & Resorts at Yosemite, said the company identified the \$51 million figure after a third-party contractor appraised the company's intangible assets.

A spokeswoman for [Xanterra Parks & Resorts](#), which has [fought the National Park Service](#) over its award of Grand Canyon concessions to a Delaware North subsidiary, said Friday that the company as a matter of policy does not comment on whether it may bid on future contracts.

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