



HOOVER LODGING REALTY I N C.

6924 East Heritage Place North Centennial, Colorado 80111
PHONE: 303-504-9292 FAX: 303-504-9229 SALES@HOOVER-LODGING.COM

Arkansas River Inn and Suites Canon City, Colorado

Offering for Sale
\$1,800,000

Formerly the Best Western
Royal Gorge
Cash to the Seller

67 Units

AAA Two-Diamond



The Arkansas River Inn and Suites is a very well maintained 67 unit, two story, full service motel that consistently receives high quality inspection scores. It is located just minutes from the famous Royal Gorge Bridge and Canyon, which attracts more than half a million visitors annually. Great river-rafting, hiking, sightseeing, fishing and other numerous activities and adventures abound in the area. The motel's membership affiliation, great curb appeal, well-trained and friendly staff, and amenities attract guests and keep them coming back.

For more information, a complete package can be sent to well-qualified buyers.

Contact:
Lynn E. Hoover
Certified Hotel Broker

Phone:
303-504-9292
Email:
Lynn@Hoover-Lodging.com

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Location/Site: 1.88 acres (81,893 sq.ft.), 430 feet of frontage, with good exposure. The east and west sides of the property are bounded by improved commercial properties, while the north side and a small portion of the northeast side is bounded by property zoned commercial, but utilized as single-family residential properties. The property has excellent ingress/egress and visibility.

Accessibility: Access to the Arkansas River Inn & Suites is good via Royal Gorge Boulevard (U.S. Highway 50)

Price/Terms: Cash to the Seller at closing from the most qualified Buyer, capable of consummating the purchase transaction in a smooth and timely manner. The property is being sold by an absentee owner to move assets closer to the owner's area of residence.



Improvements: There is Guest parking of approximately 41,000 square feet of asphalt driveways and parking areas with concrete walks and railroad tie retaining walls. Other site improvements include two free-standing Arkansas River Inn & Suites signs, swimming pool and fiberglass "All Deck" decking, a gazebo enclosing a hot tub and wrought iron fencing surround.

Year of Construction: The property consists of four buildings: one building contains the public areas, including the front office/registration, meeting room and restaurant. The other three buildings comprise the guest rooms. The buildings were constructed in 1965 and 1973.

Structure and Exterior:

The four buildings have a concrete foundation with masonry construction and stucco finished walls with flagstone siding, except for one building which is frame construction. The roof has recently been resurfaced with a roll-top roof, "Duro-Last", on three of the buildings with a 15 year warranty, and gravel hot mix with aluminum gutters and downspouts for the public area. Some roof repair may be needed over the meeting room. There are no known mechanical or electrical issues.



<u>Room Mix:</u>	<u>Published Rack Rates:</u>	
Double/Double	14	April 1-Oct 15
Double/Double Deluxe	1	\$95 to \$162
King	8	
King Deluxe	1	Oct 16-Mar 31
Single Queen	23	\$80 to \$125
Double Queen Deluxe	20	
Total Rooms	67	

Housekeepers are paid by the room completed:
\$4.00 for a small room; \$4.25 for a large room

<u>Revenue Statistics</u>	
Year End 2009:	
Number of Units:	67
Occupancy:	50%
Room Revenue:	\$654,617
Average ADR:	\$48.96
Net Oper. Inc. (NOI) 2009	\$217,916

Interior Finish: The guest rooms and bathroom walls are textured and painted over drywall. The bathrooms feature an attractive vinyl tub surrounds, curved shower curtain rods and gooseneck shower heads; one foot ceramic floor covering and some areas of wall tiles. Suburban wall units supply the heating and air-conditioning for the guest rooms. Roof-top units supply the air-conditioning and heating for the public areas. There are two sets of connecting guest rooms. One of the room sets is specially equipped and designated as a handicap guest room.

Reservation System: .

Recent Upgrades: All guest room carpet and furniture has been replaced within the last three years. Forty “pillow top” mattresses have been added; new linens and pillows in all guest rooms.

Guest Room Amenities: Amenities include refrigerators, microwave units, hair dryers and coffee makers, irons and boards, desks in all large suites and high speed internet throughout the property.



Property Amenities: The property features 67 guest rooms, including 22 large family suites capable of accommodating 6 persons, a playground, shuffleboard, putt-putt golf, outdoor heated swimming pool, an enclosed hot tub in a gazebo style structure, a horseshoe area, dog area, guest laundry, keyed entries and a restaurant (serving only a complimentary continental breakfast to registered guests at this time) and a meeting room seating up to 75 persons.

Property Condition: The Arkansas River Inn & Suites is in good condition and repair. The property is rated by AAA as a two-diamond.

Windows: Steel casings, single paned for the guest rooms; double pane for the restaurant.

TV's/Phone System: Televisions are 25” tube. The phone system is a Phone Suites, a hospitality specific phone system, installed in 2005.

Safety/Security: Guest room outside doors are solid core wood with steel casements. Room security is provided with VingCard e-locks with 1” bolts and chains. Battery powered smoke detectors are in every room. A security camera system is in place and records to a hard-drive computer.

Signage: One monument property sign and a large Arkansas River Inn free standing sign identify the property. One highway sign is located 5 miles east on U.S. 50, and two signs are located 2 miles and 5 miles west U.S. 50 advertise the property approaching the city.

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Laundry/Linens: Two commercial-grade washers (a Unimac and Milner) which are two years old, plus a household washer for small items; three commercial dryers. Guests have access to 2 Maytag washers (\$1.00) and 2 Maytag dryers (\$.25). There are approximately two and one-half turns of linens.

Parking: There are 69 parking spaces for motel guests, 24 spaces for restaurant, and 4 reserved spaces for guest registration; 2 handicap spaces are available at the registration building, 1 for motel guests at room 125. The parking area was seal-coated and striped in 2007-2008.

Vending/Ice Machines: Beverage and candy machines are on a commission basis with the vendor. Two new property owned dispenser ice machines are available for guest use.



Swimming Pool/Hot Tub: The pool is irregular in shape, measuring approximately 18' x 35' holding 20,000 gallons of water surrounded with concrete decking. It is of Gunitite construction and has ceramic trim around the top edge and underwater lighting. In the same area as the pool, there is a hot tub, available all year, which is enclosed by an attractive redwood, gazebo type structure.



Restaurant: The motel restaurant, accommodating 75 guests, serves only a complimentary hot continental breakfast to registered guest at this time. There is no lounge. There is a meeting room (formerly the lounge) adjacent to the restaurant which can accommodate 45 persons and accessible to the kitchen.

Utilities: The City of Canon City furnishes the water; Fremont Sanitation District, the sewer; electricity is furnished by Aquilia; and gas service is provided by Atmos.

Business Generators: The motel room night annual distribution is: Commercial 10%, Tourist 70%, Government 10%, Group 10%. The property has a rooms contract with the U.S. Department of Corrections for lodging of personnel trainees.

Insurance: Property insurance (\$6,693) is provided by Allied Insurance Co. through the Seller's agent in Lincoln, NE. The workmen's comp insurance (\$3860) is provided by Pinnacol Insurance in Colorado.

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Competition:

Comfort Inn: 67 units, AAA 2 diamond rated. 45 one-bedroom standard guest rooms (some with whirlpools), 1 one-bedroom suite with interior corridors. Standard room amenities, limited leisure activities, indoor pool.

Holiday Inn Express: 82 units, AAA 3 diamond rated. All rooms are one-bedroom standard guest units, some with whirlpool and standard guest amenities. The Inn has limited leisure activities, indoor pool and interior corridors. Published rate: \$100 to \$115 all year.

Quality Inn: 150 units, AAA 2 diamond rated. One-bedroom standard units with interior corridors. Standard guest amenities, heated indoor pool and whirlpools in the public area are the property amenities. Published rate: \$59 to \$129 all year.

Hampton Inn: 64 units, AAA 3 diamond rated. All rooms are one-bedroom standard units. Standard amenities, heated outdoor pool, whirlpool, exercise room and meeting rooms. Published rate: \$98-\$130 all year.

OWNERS RESIDENCE: THIS RESIDENCE IS BEING OFFERED SEPARATELY FROM THE MOTEL PURCHASE. The 1-1/2 bath, 3 bedroom house, is situated on .413 acres (17,990 sq.ft.), separate from the motel but adjacent. This home offers a very clean and comfortable living situation to come home to after managing the motel. It features a modernized kitchen, hobby room/office, dining area, and living room, very large backyard with developed trees and attractive landscaping. An additional land area (included) is located behind the fenced backyard. Connected to the house is a three car carport with a front yard circle drive. The residence has been used periodically by the owners for the past nine years. New carpet, painting and other upgrades have been recently completed. Offered at \$150,000. The residence could be incorporated with the motel purchase and funding.



INVESTMENT OVERVIEW: The Arkansas River Inn and Suites is a choice property located in the heart of Colorado's famed Rocky Mountains. Own the Arkansas River Inn and Suites and surround yourself with breathtaking scenery, natural wonders, thrilling activities, and exciting attractions. Be host to the tourists that fill the City anticipating a memorable vacation visit, experiencing the many adventures awaiting them. This property is available for just over three times room revenue and is current with the Best Western design requirements.

The Arkansas River Inn and Suites is a 67 unit property located in a beautiful area of Colorado. Tourists frequent to Canon City to partake of the many activities. The Arkansas River Inn and Suites benefits the outdoor crowd with its drive-up rooms, which are preferred by boaters, bikers, and rafters and those guests who appreciate convenient access to their respective rooms from their cars. The property boasts many amenities that other properties in the area cannot, including activities such as putt-putt golf, swimming, hot tub, shuffleboard, horseshoes and a playground on property for the kids and adults alike. Its 22 Family Suites are the largest rooms in Canon City and are great for large families or groups. All rooms have all the amenities guests have come to expect.

In January of 2008, the property was awarded the 5 year DOC Trainees contract. This contract is for approximately 30 to 40 rooms of individuals training to become Department of Corrections officers. These trainees stay in single rooms from Sunday through Thursday nights for 5 weeks at a time. Each 5 week period of new trainees is broken by a 2 week off period. This arrangement allows the hotel to continue to rent weekend rooms during the summer months when the weekends run full and rates are high. The rates on these rooms for the DOC trainees are low, but they more than make up for that by keeping the hotel better occupied during the winter months when it would otherwise be slow. This agreement may be cancelled.

The restaurant presently serves only a complimentary hot continental breakfast to registered guest at this time. The room adjacent to the restaurant was renovated into a meeting room in late 2007, offering meeting space for motel guests and local groups. The restaurant has been leased by other parties in the past and could be again.

The Arkansas River Inn and Suites offers an opportunity to invest in an in a prime Colorado location at a favorable price. Numerous upgrades have been made to the property on a continual basis.

For additional information or to set an appointment to tour the property, contact Hoover Lodging Realty, Inc. **You are asked not to contact or visit the property without authorization from Hoover Lodging Realty, Inc.**

This information is sent on a confidential basis.
You are asked not to contact the Property.

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