

Suggested Price: \$4,375,000, all cash



Location

- 305 Munson Avenue (US-31), Traverse City MI
- 375' US 31 road frontage, 24,500 daily traffic count
- Downtown Traverse City 1.5 miles
- Northwestern Michigan College adjacent
- Restaurants nearby
- Tourist sites nearby

Site Description

- Approximately 1.5 acres
- Excellent visibility on Munson Avenue
- Paved asphalt parking lot
- All utilities on site

Property Description

- 50 units, limited-service mid-scale
- Originally built in 1959, w/1984 addition
- Indoor swimming pool, deepest in Traverse City
- Two-story, interior corridor
- Living quarters space currently used for offices

Tax Identification

- Parcel ID# 51-582-125-00(City of Traverse City)
- 2010 Property Taxes, approx. \$ 47,091

2010 Revenue Summary

- \$1,157,777 room revenue
- \$23,156 per room revenue
- 62.4 occupancy
- \$100.22 average daily rate
- \$62.54 RevPAR
- 31.6% reservation contribution
- **\$4,000,000 appraisal**



Blue Water Hotel Advisors, LLC

5112 S. Colonial Drive, Traverse City, MI 49685
Tel: 231.218.0316 • Fax: 248.564.5371 Email:
vince@bwhadvisors.com Website: www.bwhadvisors.com

HOTEL AND AREA OVERVIEW



Tourism

Traverse City is widely regarded as the premier tourist destination of Michigan, with the East and West Bays of the Grand Traverse Bay being the primary attraction, while 45 minutes to the west the Sleeping Bear Dunes National Lakeshore attracts visitors all year with golf, hiking and skiing opportunities.

Tourism is a primary driver of the local economy with the strongest demand periods being June-October and January-March. Visitors can enjoy the many upscale golf resorts, vineyards, and freshwater beaches. Other popular outdoor activities include boating, sailing, and kayaking. Visitors can also enjoy several ski facilities within an hour's drive of Traverse City as well as many museums, art galleries, performing art centers, and festivals such as the annual Cherry Festival in July and the Film Festival.

The Traverse City area is also home to two casinos, numerous wineries, lighthouses, great dining and shopping opportunities, and the Interlochen Center for the Arts in nearby Interlochen.

SITE AND BUILDING DESCRIPTION**SITE DESCRIPTION**

The Best Western Four Seasons is located on the north side of Munson Avenue (US 31) at the base of Old Mission Peninsula with approximately 375' of road frontage on 1.45 acres. All utilities including sewer, water, natural gas and electricity are on site. The site is zoned "HR" - Hotel Resort District. There are a wide variety of businesses in the area including, motels, restaurants, offices, retail stores, apartments. A museum and North-western Michigan College are adjacent to the hotel. According to the Department of Transportation, the daily traffic count is 24,500 vehicles.

BUILDING DESCRIPTION

There are 50 units situated in a single building originally built in 1958. In addition to the 50 units, there is a five-room apartment which currently houses the hotel offices, there is also an enclosed pool and breakfast room. The residence and offices make up approximately 1,713 square feet with the hotel occupying 16,620 square feet. There is a full basement which houses the housekeeping room, boiler room and maintenance room.

Recent upgrades include the following:

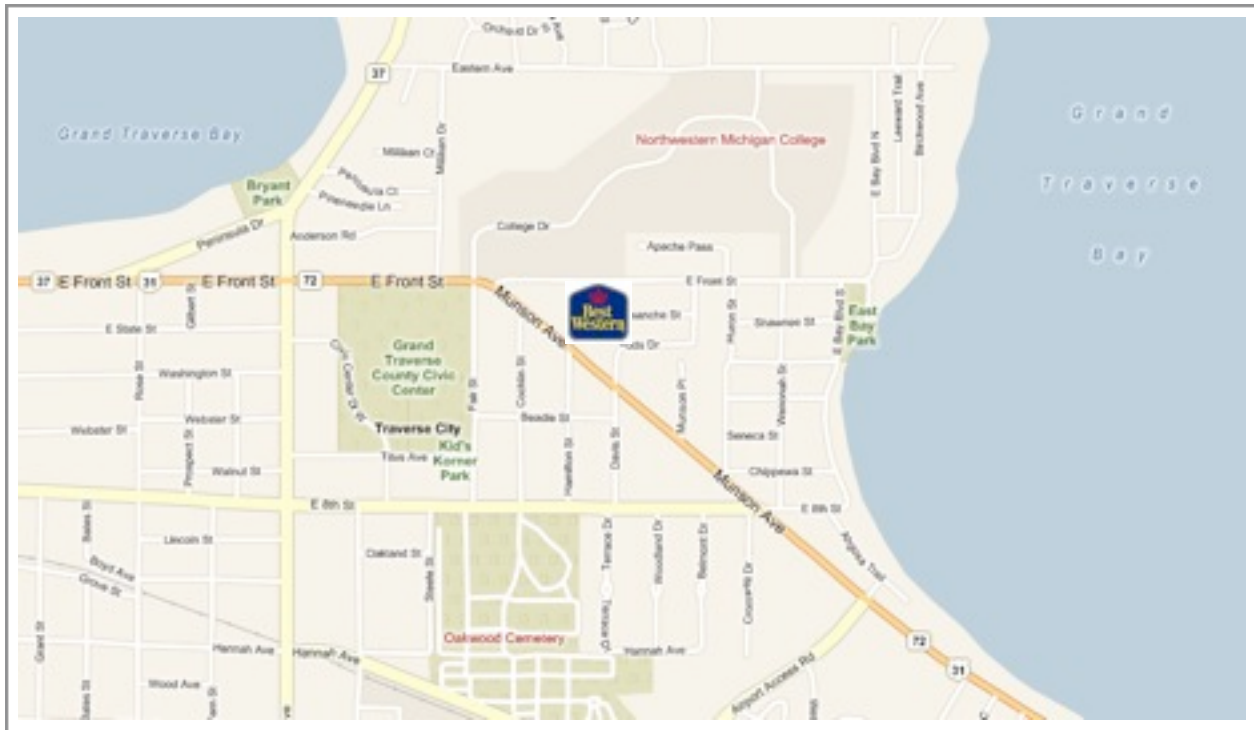
- *Beds and casegoods*
 - *Lamps and mirrors*
 - *Refrigerators and microwaves*
 - *Televisions*
 - *Coffee makers*
 - *Tables and chairs*
 - *Phone system*
 - *Doors and trim*
 - *New landscaping*
 - *Computer system*
 - *Carpet*
 - *Parking lot*
 - *Bed skirts, pillows, scarves*
-

Area Maps



Traverse City Michigan is located approximately four hours north of Detroit and 2.5 hours north of Grand Rapids. Known as the “Cherry Capital” the region is the largest producer of Cherries. Traverse City is also the second most popular tourist destination in Michigan, second only to Mackinac Island.

Area Maps



The Best Western Four Seasons is located at 305 Munson Avenue (US 31) at the base of Old Mission Peninsula and is adjacent to the Dennis Museum and Northwestern Michigan College. The hotel is 1.2 miles east of downtown Traverse City and close to dining and shopping.



REGIONAL DEMOGRAPHICS

The major economic forces in the area are quite diverse. They are led by the tourist industry. Other economic forces are farming, manufacturing, medical services, retail, and oil and gas exploration. Grand Traverse County has an unemployment rate below that of the state average and even lower during the busy summer tourist months. The population of Grand Traverse County has increased steadily since the 1990's and is currently at around 85,000 residents, with approx. 15,000 residing in the city of Traverse City.

The Best Western Four Seasons is located along US 31 also known as Munson Avenue within the city limits. It is located approximate to the following locations:

downtown Traverse City	1.2 miles
Northwestern Michigan College	adjacent
Dennos Museum	adjacent
Interstate 75	45 miles
Grand Rapids Michigan	125 miles
Lansing Michigan	150 miles
Detroit Michigan	200 miles
Chicago Illinois	225 miles

Transportation

The region is well-accessible as US-31 runs west along the Leelanau peninsula to Benzonia and continues south to Manistee and other locations along Lake Michigan. Further, US-31 and M-72 runs east crossing the state and connecting to I-75. In addition, Cherry Capital Airport is ten minutes from the hotel and offers regular commercial flights to cities such as Detroit and Chicago. During busy summer months, other cities are also available on a non-stop basis such as Milwaukee, Minneapolis, Denver and Cincinnati.

Population

	<u>2000</u>	<u>2009</u>
City of Traverse City	14,532	15,266
Grand Traverse County	77,654	88,739
State of Michigan	9,938,444	9,969,727

Employment - Principal Employers

Munson Medical Center	Hospital
Traverse City Area Public Schools	Education
KSL Recreation Management	Physical Fitness Facility, Sports Club
Sara Lee Corporation	Food Manufacturer
Northwestern Michigan College	Junior College
Meijer, Inc.	Retailer
Grand Traverse Pavilions	Nursing Care Facility
Interlochen Center for the Arts	School
Grand Traverse Band of Ottawa Indians	Casinos
Grand Traverse County	County Services

Weather

January averages	13 - 26 degrees	average snowfall 90 inches
July averages	60 - 81 degrees	average rainfall 30 inches

David Kong, CEO of Best Western International presenting “Best of the Best” award to the hotel and staff in August 2009.



David T. Kong
President and Chief Executive Officer



**Best Western
International, Inc.**
THE WORLD'S LARGEST HOTEL CHAIN®

6201 N. 24th Parkway
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85016-2023, USA

(602) 957-4200
bestwestern.com

February 12, 2010

Mr. Russ Cole
General Manager
Best Western Four Seasons
305 Munson Ave (US31)
Traverse City, MI 49686-3069

Dear Russ,

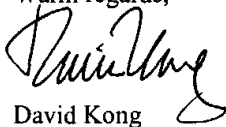
I am excited to congratulate you on your 982 point score on your recent quality assurance assessment. This is a tremendous accomplishment for your entire team!

Your impressive score is a symbol of your professionalism. It also represents your personal pride and your commitment to excellence.

While a top quality assurance score earns accolades from Best Western, even more important is the recognition you receive from guests. It is no surprise that higher assessment scores correlate to higher TripAdvisor scores, and ultimately, higher RevPAR.

With more than 2,200 hotels in North America, you should be proud that yours is among the very best. Thank you for your commitment to excellence.

Warm regards,



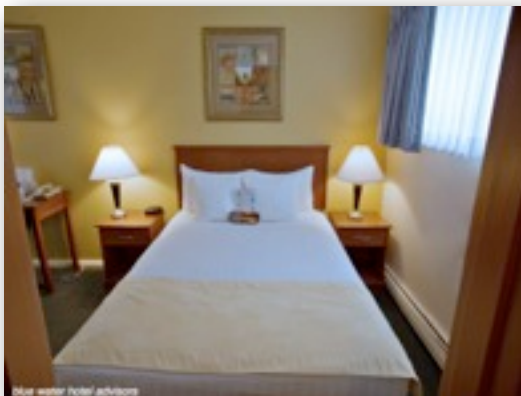
David Kong

*Thank you for
another high score.
I'm proud of your
hotel.*

✓ cc: Mr. Alex Mowczan, Voting Member



Photographs



The information contained herein and contained in any supplemental information has been furnished by the seller or seller's representatives. The submitting broker is not responsible for misstatements of facts, errors, omissions, or withdrawal of the property from the market without notice. Prospective buyers are urged to perform their own due diligence. The property is being sold "as-is, where-is".

Photographs



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FINANCIAL SUMMARY

	2009	2010	2011
Room Revenue	\$1,066,602	\$1,157,777	\$1,163,620
Total Revenue	\$1,082,293	\$1,200,000	
Occupancy	61.28%	62.40%	60.70%
ADR	\$95.44	\$100.22	\$104.96
RevPAR	\$58.46	\$62.54	\$63.76
Res. Contribution	31.60%	32.00%	

Tab 2 - Monthly Performance at a Glance - My Property vs. Competitive Set

Best Western Four Seasons 305 Munson Ave Traverse City, MI 49686-3069 Phone: (231) 945-8124

STR # 2651 ChainID: 23543 MgtCo: None Owner: None

For the Month of: December 2011 Date Created: January 18, 2012 Monthly Competitive Set Data Excludes Subject Property

December 2011

	Occupancy (%)			ADR			RevPAR		
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (ARI)	My Prop	Comp Set	Index (RGI)
Current Month	36.1	29.2	123.9	63.48	67.64	93.8	22.93	19.72	116.3
Year To Date	60.7	51.8	117.2	104.96	94.21	111.4	63.76	48.62	130.6
Running 3 Month	46.1	43.8	105.2	86.17	79.15	108.9	39.73	34.69	114.5
Running 12 Month	60.7	51.8	117.2	104.96	94.21	111.4	63.76	48.62	130.6

December 2011 vs. 2010 Percent Change (%)

	Occupancy			ADR			RevPAR		
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (ARI)	My Prop	Comp Set	Index (RGI)
Current Month	-18.4	-3.0	-15.9	3.4	1.2	2.2	-15.6	-1.8	-14.1
Year To Date	-2.7	2.0	-4.6	4.7	5.6	-0.8	2.0	7.7	-5.3
Running 3 Month	-15.8	2.5	-17.9	9.0	3.2	5.6	-8.2	5.8	-13.2
Running 12 Month	-2.7	2.0	-4.6	4.7	5.6	-0.8	2.0	7.7	-5.3

FINANCING ALTERNATIVES

These are some local lenders that have done hotels in the recent past, and know the Best Western.

Contact the Grand Rapids EDC (616) 459-4825 or USDA (with Alan Anderson at the Traverse City USDA) with a good down payment it can be done with either the SBA or USDA!

Also these local lenders may be helpful:

Mitch Blue, Traverse City State Bank (231) 995-5500

John Gray, First Community Bank (231) 946-2400

Troy Noble, Honor State Bank (231) 941-5251

Bill Green, Northwestern Bank (231) 947-5490

BEST WESTERN MEMBERSHIP TRANSFER

Because of the continued high inspection scores the Best Western Four Seasons qualifies for an automatic transfer fee of only \$5,500 and zero PIP.