

# Offering Memorandum

## Ramada Pigeon Forge South

4010 Parkway, Pigeon Forge, TN 37863



For Sale

4010 Parkway

75,852 SF | N/A

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## Table of Contents

## Section 1

# PROPERTY INFORMATION

## Executive Summary



SALE PRICE:	N/A
LOT SIZE:	5.996 Acres
BUILDING SIZE:	75,852 SF
NUMBER OF ROOMS:	122
YEAR BUILT:	1991
ZONING:	C-1
TRAFFIC COUNT:	49,016
MARKET:	Knoxville-Morristown-Sevierville CSA

### Property Overview

Ramada Pigeon Forge South and Smoky Mountain Convention Center is a well-maintained, stabilized hospitality property that is convenient to a wide variety of tourist attractions, restaurants and shops. The hotel offers a variety of amenities and room types, including some with fireplaces, private balconies and whirlpool tubs.

The fee simple property is improved with a 122-room, 3-story, limited service, exterior corridor hotel, an outdoor pool, and a separate 21,050 square foot convention center. The 5.98-site includes about 2 acres of excess land that offers elevated and unobstructed views, and would be ideal for hotel expansion or development of a new hotel concept.

### Location Overview

The property is located on south end of the Parkway (U.S. 441) in Pigeon Forge, on the southbound side. It has excellent Parkway visibility and easy access.



## Investment Metrics

• +-Sale Price	\$8,000,000
• Price Per Room	\$65,574
• Hotel Total Revenue & Convention Center Gross Profit (FY 2017)	\$2,190,874
• Gross Revenue Multiplier (GRM)	3.65
• Average Daily Rate	\$79.62
• Occupancy	58.9%
• Net Operating Income (NOI)	\$482,247
• Capitalization Rate (CAP)	6.03%
• Hotel Revenue 1st 8 months of FY 2018	+6.95%
• Convention Center Gross Profit 1st 8 months of FY 2018	+8.87%

## Investment Highlights

- Fee Simple Ownership
- Unencumbered of Management
- Strong Historical Performance
- 21,050 sq.ft. Convention Center - 8 meeting rooms can accommodate 1,000 conference guests or 800 banquet guests
- Includes Two Acres of Excess Land for Expansion of Hotel or Development of New Hotel Franchise. Costs of land without direct highway frontage can be \$500,000 per acre or more.



## Amenities

- Well-appointed Rooms - Some with Fireplaces, Whirlpool Tubs, Balconies
- Heated Outdoor Pool and Hot Tub
- Free WiFi
- Pet Friendly
- Free Continental Breakfast
- 21,050 sq.ft. Convention Center - 8 Meeting Rooms  
Can Accommodate 1,000 Conference Guests or 800 Banquet Guests





## Additional Photos



Convention Center

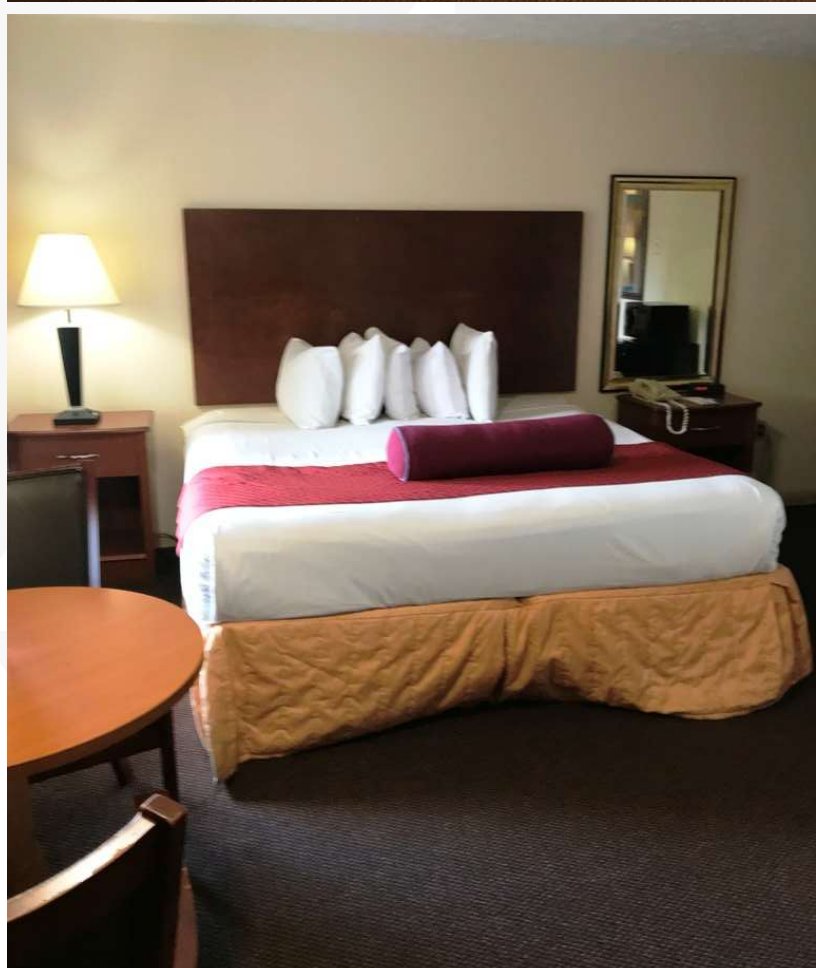


## Additional Photos





## Additional Photos





## Additional Photos





## Section 2

# LOCATION INFORMATION

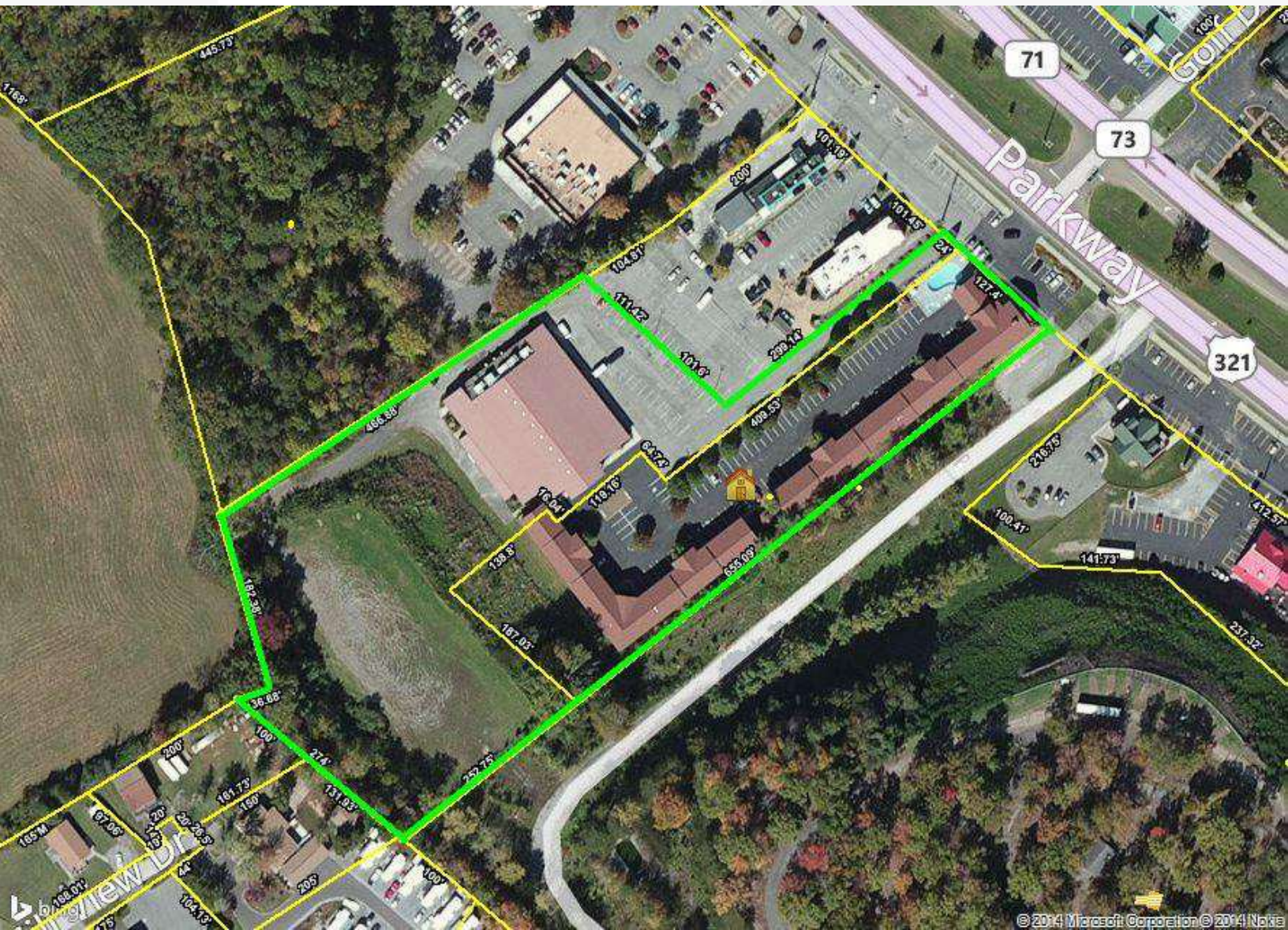
# Parcel Map



Map data ©2019 Google

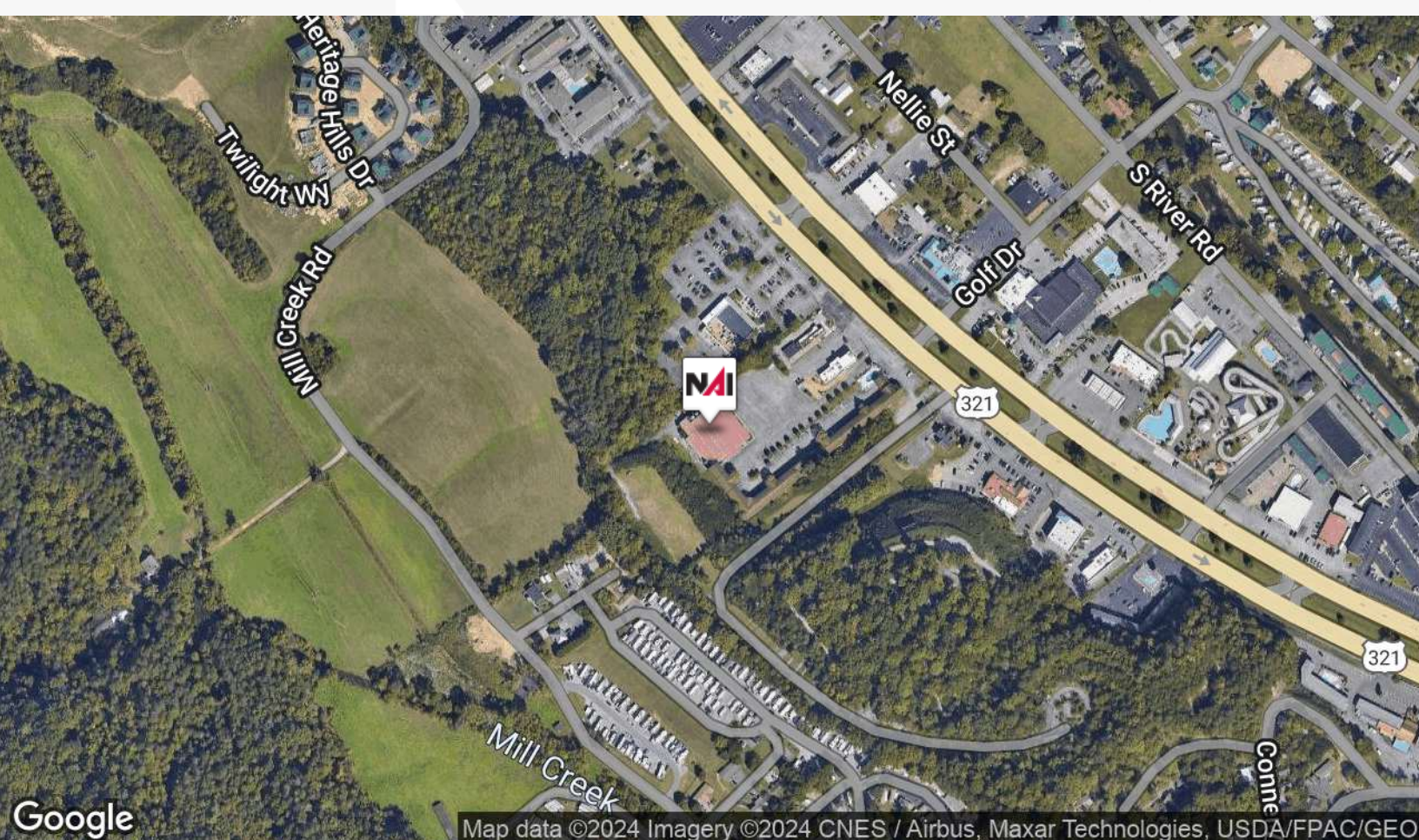
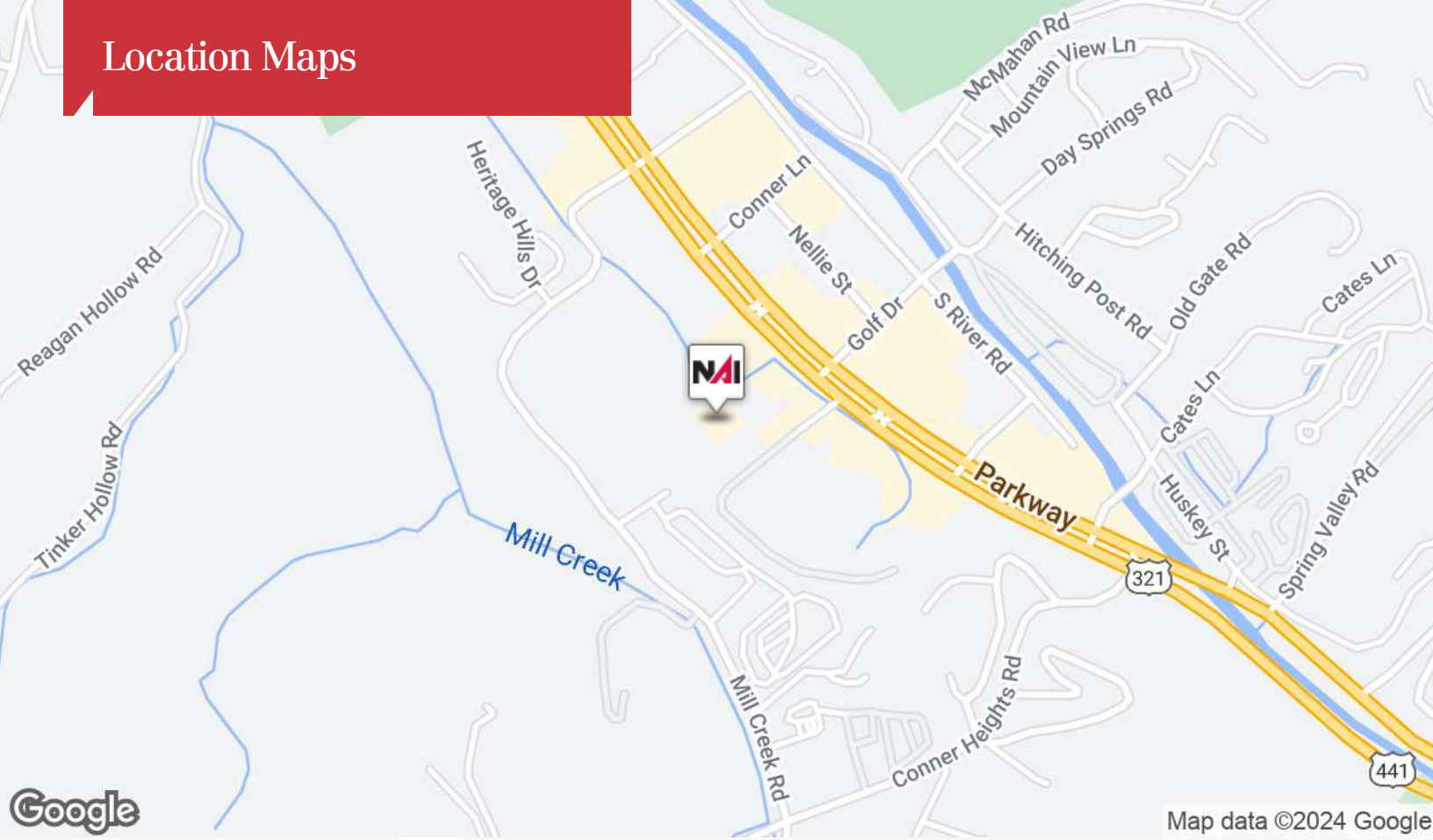


# Site Plan



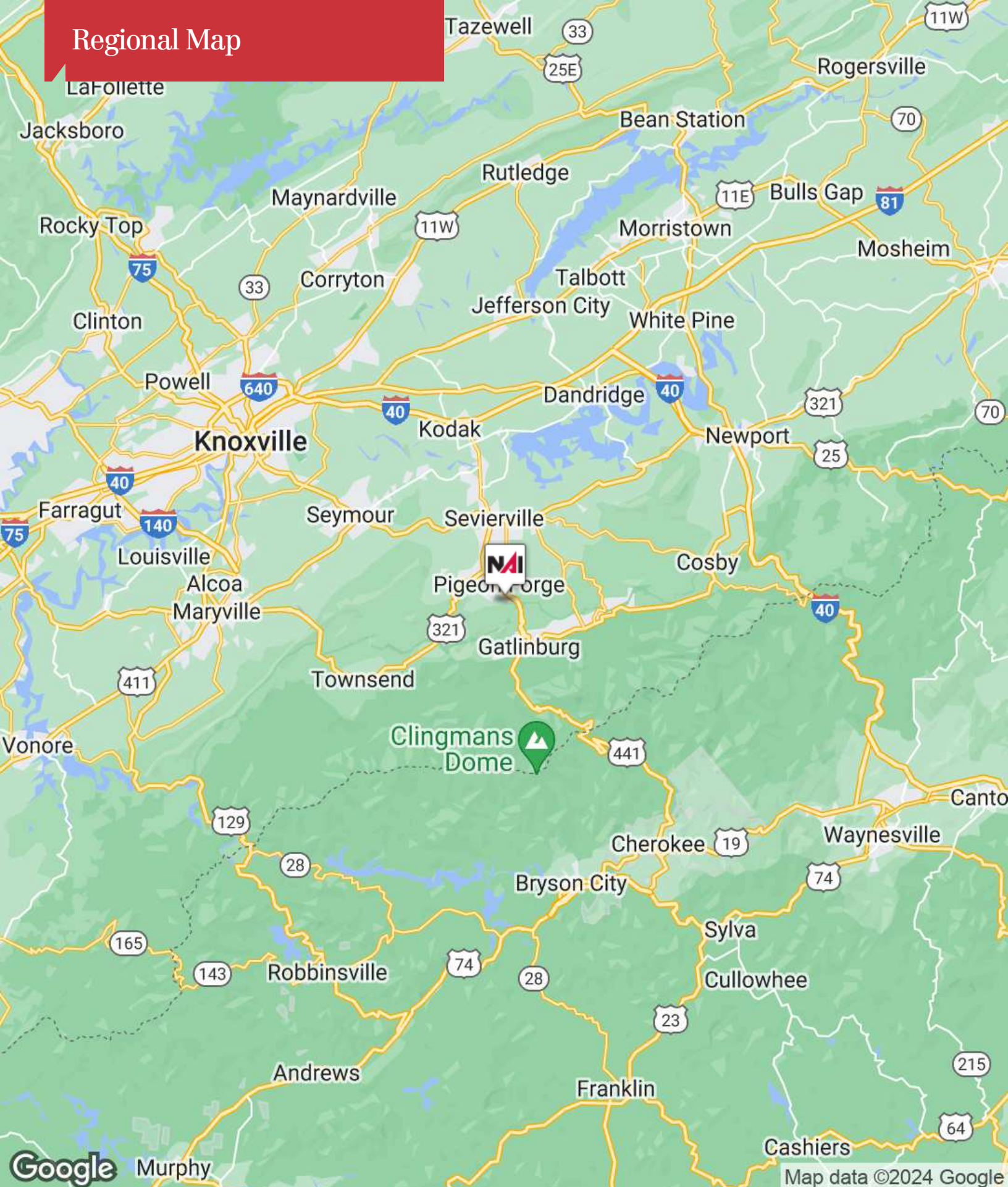


# Location Maps



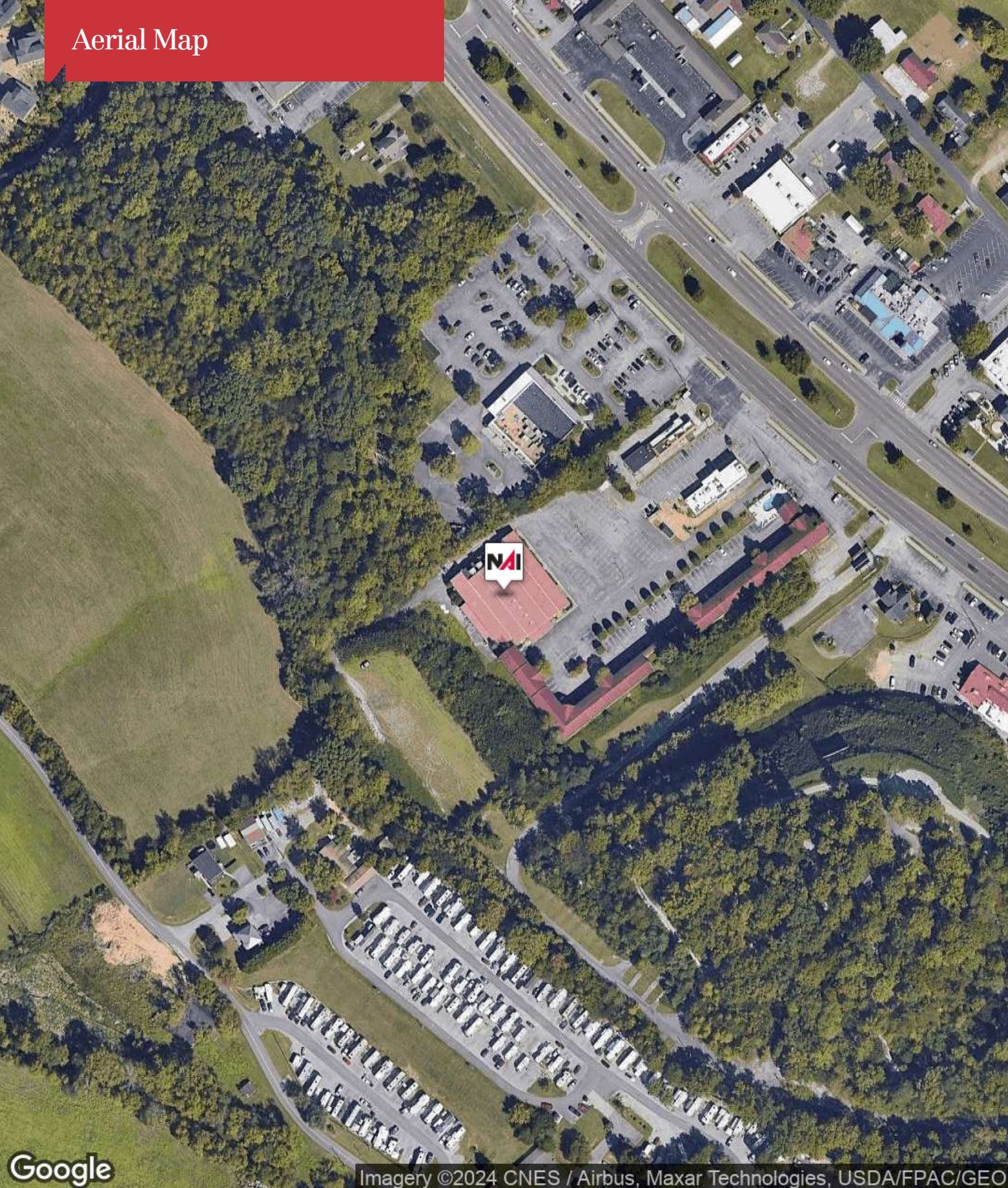


## Regional Map





# Aerial Map



Google

Imagery ©2024 CNES / Airbus, Maxar Technologies, USDA/FPAC/GEO



## **Section 3**

# FINANCIAL ANALYSIS

# Financial Summary

## Investment Overview

Price	\$0
Number of Units	122
Price per Room	\$0
Approximate Square Footage	75,852
Price per Square Footage	\$0
CAP Rate	0.00%

## FY 2016-2017 (6/1/2016 - 5/31/2017) INCOME STATEMENT

## Operating Data

<b>Gross Operating Income</b>	<b>\$2,190,874</b>
Operating Expenses	- \$1,708,626
<b>Net Operating Income</b>	<b>\$482,247</b>
<b>Pre-Tax Cash Flow</b>	<b>-\$24,598</b>
Cash-on-Cash Return % (yr 1)	0.38%
<b>Total Return (yr 1)</b>	<b>\$166,589</b>
Return on Investment %	-2.60%

## FY 2016-2017 (6/1/2016 - 5/31/2017) INCOME STATEMENT

When evaluating the return on investment, it is important to note that the offering includes approximately two acres of excess, mostly level development land. This land presents an outstanding opportunity for development of a new flagged hotel. Land costs are exceptionally high in the Pigeon Forge market.

# Income & Expenses

## Income Summary

FY 2016-2017 (6/1/2016 - 5/31/2017)  
INCOME STATEMENT

Ramada Room Rentals	\$1,974,769
Ramada Other Income	\$23,285
Smoky Mountain Convention Center Gross Profit	\$192,819

<b>Gross Income</b>	<b>\$2,190,874</b>
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## Expense Summary

FY 2016-2017 (6/1/2016 - 5/31/2017)  
INCOME STATEMENT

Ramada Expenses	\$1,655,531
Smoky Mountain Convention Center Expenses	\$53,095

<b>Gross Expenses</b>	<b>\$1,708,626</b>
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<b>Net Operating Income</b>	<b>\$482,247</b>
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For Sale - 4010 Parkway

# Unit Mix Summary

75,852 SF | N/A

Unit Type	Count	% Total	Rack Rate	Description
QQ	102	83.6		
QQ & Sleeper	4	3.3		Sleeper sofa, jacuzzi, fireplace
K	2	1.6		
K & Jacuzzi	2	1.6		Jacuzzi
QQQ	9	7.4		Two bedrooms
QQQQ - 2 bdrm	3	2.5		2 bedrm suites, sleeper sofa, Jacuzzi, fireplace
Totals/Averages	122	100%		

**Section 4**  
SALES  
COMPARABLES



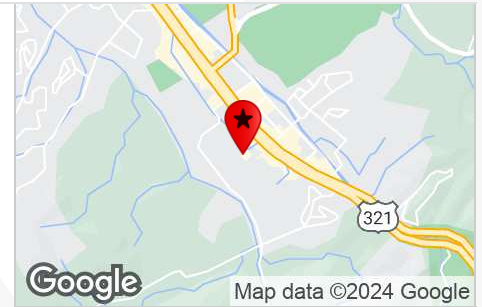
# Sales Comparables



## Subject Property

4010 Parkway | Pigeon Forge, TN 37863

<b>Sale Price:</b>	-	<b>Year Built:</b>	1991
<b>Building SF:</b>	75,852 SF	<b>No. Rooms:</b>	122
<b>\$ / Room:</b>	-	<b>NOI:</b>	\$482,247

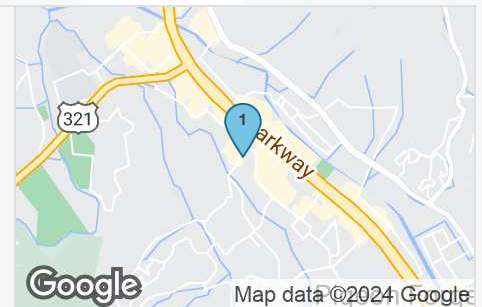


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## Park Tower Inn

201 Sharon Drive | Pigeon Forge, TN 37863

<b>Sale Price:</b>	\$10,000,000	<b>No. Rooms:</b>	156
<b>\$ / Room:</b>	\$64,102	<b>Closed:</b>	01/31/2018



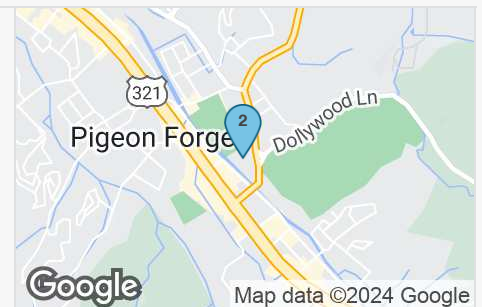
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## All Season Suites

239 Dollywood Lane | Pigeon Forge, TN 37863

<b>Sale Price:</b>	\$3,950,000	<b>Year Built:</b>	1995
<b>Building SF:</b>	57,087 SF	<b>ADR:</b>	\$97
<b>No. Rooms:</b>	53	<b>\$ / Room:</b>	\$74,528
<b>CAP:</b>	11.53%	<b>Closed:</b>	02/01/2016
<b>Occupancy:</b>	62.3%	<b>NOI:</b>	\$455,619



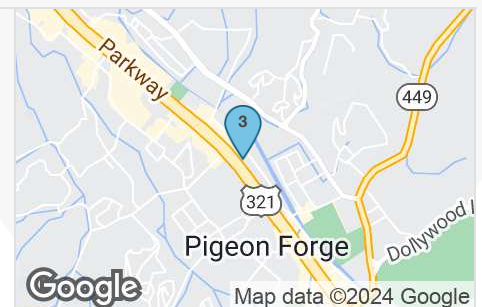
Independent all-suites hotel near Dollywood and Gatlinburg Golf Course. David Gothard was the listing and selling broker.

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## Lazy Bear Inn

3229 Parkway | Pigeon Forge, TN 37863

<b>Sale Price:</b>	\$2,930,000	<b>Year Built:</b>	1972
<b>Building SF:</b>	18,950 SF	<b>No. Rooms:</b>	53
<b>\$ / Room:</b>	\$55,283	<b>Closed:</b>	08/13/2014



Property was updated in 2004.

# Sales Comparables

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## Governor's Inn

121 Nascar Drive | Sevierville, TN 37862

<b>Sale Price:</b>	\$4,200,000	<b>Year Built:</b>	2000
<b>Building SF:</b>	73,368 SF	<b>ADR:</b>	\$71
<b>RevPAR:</b>	\$362.14 AC	<b>No. Rooms:</b>	107
<b>\$ / Room:</b>	\$39,252	<b>CAP:</b>	12.46%
<b>Closed:</b>	03/12/2015	<b>Occupancy:</b>	50.8%
<b>NOI:</b>	\$523,329		

Sold by SVN - David Gothard and Doug Morgan. Buyer undertook a major renovation and conversion to Holiday Inn Express after acquisition.



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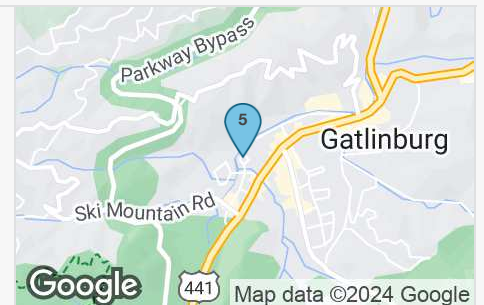


## River's Edge Motel

665 River Road | Gatlinburg, TN 37738

<b>Sale Price:</b>	\$2,750,000	<b>Year Built:</b>	1974
<b>Building SF:</b>	19,849 SF	<b>No. Rooms:</b>	43
<b>\$ / Room:</b>	\$63,953	<b>Closed:</b>	09/07/2016

Limited service, independent, exterior corridor, 3-story motel



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## Quality Inn

125 Leconte Creek Road | Gatlinburg, TN 37738

<b>Sale Price:</b>	\$6,500,000	<b>Year Built:</b>	1975
<b>Building SF:</b>	59,234 SF	<b>No. Rooms:</b>	105
<b>\$ / Room:</b>	\$61,904	<b>Closed:</b>	07/12/2016

Limited service, branded, exterior corridor, 2-story hotel

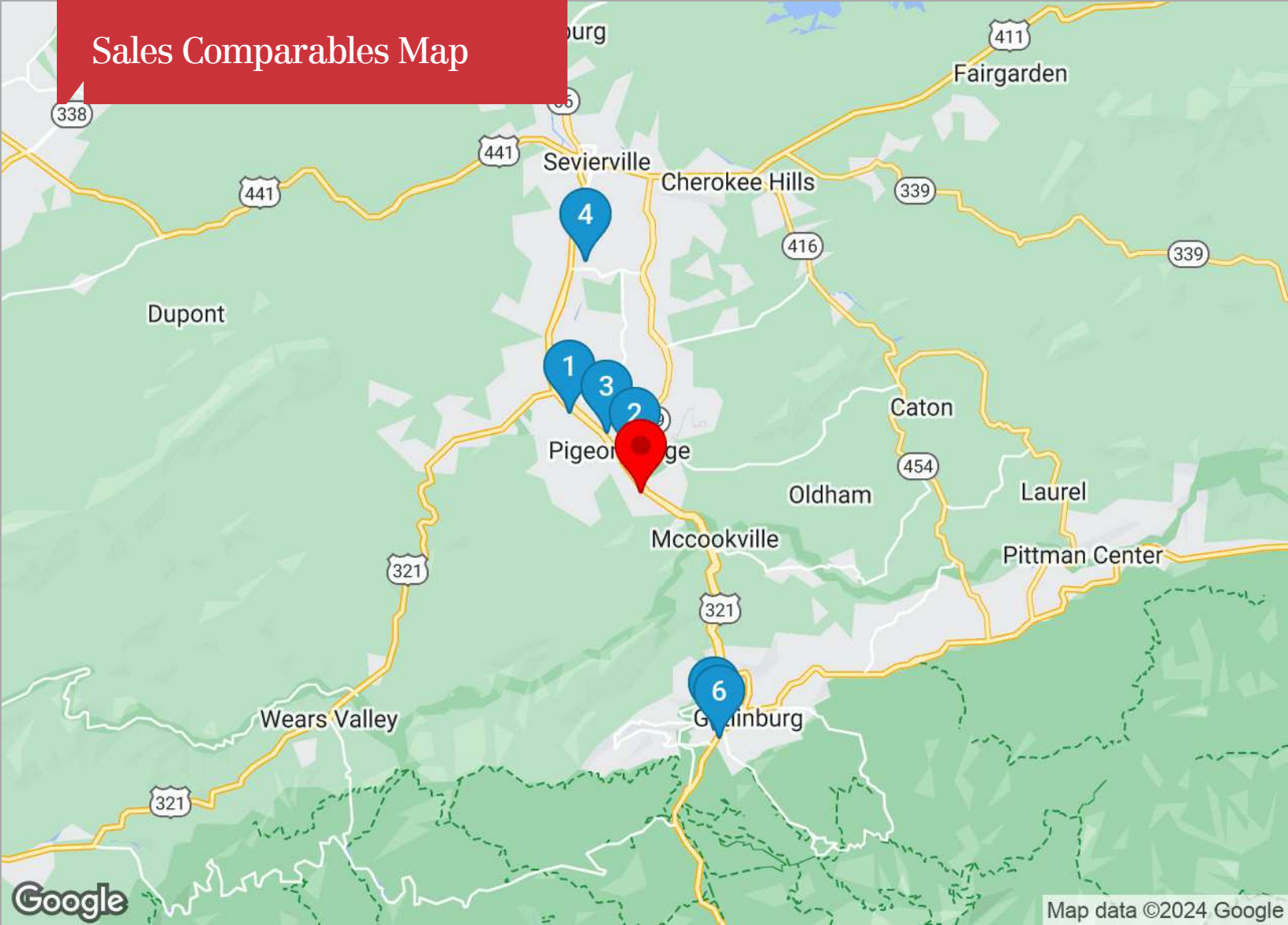




# Sales Comparables Summary

Subject Property		Price	Bldg. SF	Price/Room	RevPar	CAP	# Of Rooms	
	<b>Ramada Pigeon Forge South</b> 4010 Parkway Pigeon Forge, TN 37863	-	75,852 SF	-	-	0.00%	122	
Sale Comps		Price	Bldg. SF	Price/ROOM	RevPAR	CAP	# Of ROOMS	Close
1	<b>Park Tower Inn</b> 201 Sharon Drive Pigeon Forge, TN 37863	\$10,000,000	-	\$64,102	-	-	156	01/31/2018
2	<b>All Season Suites</b> 239 Dollywood Lane Pigeon Forge, TN 37863	\$3,950,000	57,087 SF	\$74,528	-	11.53%	53	02/01/2016
3	<b>Lazy Bear Inn</b> 3229 Parkway Pigeon Forge, TN 37863	\$2,930,000	18,950 SF	\$55,283	-	-	53	08/13/2014
4	<b>Governor's Inn</b> 121 Nascar Drive Sevierville, TN 37862	\$4,200,000	73,368 SF	\$39,252	\$36	12.46%	107	03/12/2015
5	<b>River's Edge Motel</b> 665 River Road Gatlinburg, TN 37738	\$2,750,000	19,849 SF	\$63,953	-	-	43	09/07/2016
6	<b>Quality Inn</b> 125 Leconte Creek Road Gatlinburg, TN 37738	\$6,500,000	59,234 SF	\$61,904	-	-	105	07/12/2016
Totals/Averages		Price	Bldg. SF	Price/Unit	RevPAR	CAP	# Of Units	
		\$5,055,000	45,698 SF	\$59,837	\$36	12.00%	86.17	

# Sales Comparables Map



## Subject Property

4010 Parkway | Pigeon Forge, TN 37863

1

### Park Tower Inn

201 Sharon Drive  
Pigeon Forge, TN 37863

2

### All Season Suites

239 Dollywood Lane  
Pigeon Forge, TN 37863

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### Lazy Bear Inn

3229 Parkway  
Pigeon Forge, TN 37863

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### Governor's Inn

121 Nascar Drive  
Sevierville, TN 37862

5

### River's Edge Motel

665 River Road  
Gatlinburg, TN 37738

6

### Quality Inn

125 Leconte Creek Road  
Gatlinburg, TN 37738



## Section 5

# ABOUT THE COMPANY

For Sale - 4010 Parkway

# Agent Profile & Contact 1

75,852 SF | N/A



## David Gothard, CCIM

Principal Broker (Sevierville Office), Senior Advisor

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dgothard@koellamoore.com

### Memberships & Affiliations

Certified Commercial Investment Member (CCIM)  
National Association of Realtors (NAR)  
Tennessee Association of Realtors (TAR)

### Education

United States Naval Academy, Annapolis, Maryland, 1975  
(B.S., International Security Affairs)

### Professional Background

David L. Gothard, CCIM, serves as a Senior Advisor and is the Principal Broker for NAI Koella | RM Moore's Sevierville, Tennessee office. He is a market area specialist, and has gained broad transaction experience in the sale and leasing of commercial and investment properties in Tennessee's Smoky Mountains region, primarily in Sevierville, Pigeon Forge, Gatlinburg and Sevier County. The county's economic base of tourism and its millions of visitors afford him wonderful opportunities, particularly in the hospitality, retail and commercial land sectors.

David served as a naval officer and retired from active duty at the rank of Commander in 1995. He and his wife Kathy reside in Sevierville. They are active members of Sevierville First United Methodist Church.