

# Best Western Central City

627 S 2nd St, Central City, KY 42330



**Asking Price: \$3,950,000**

**Room Count: 37**

**Managing Broker**

Bigfoot Realty

Brian Reid 312-735-3130

**Commercial Loan Officer**

Nationwide Commercial Financing

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**Please click here to view  
photos of the hotel**

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# OFFERING SUMMARY

Price \$3.95MM

Rooms 37

Built 2007

This offering memorandum presents a conservative projection for the hotel's performance.

The projections for the first two years are based on an occupancy rate of 66-67% and an ADR of \$118 - \$122.

This conservative approach provides a realistic and achievable benchmark for the hotel's initial success.

Projections based on 2025 STR and 2024 Tax Return

**Please click here to view  
photos of the hotel**

# INVESTMENT HIGHLIGHTS

This 37-room, interior-corridor hotel offers a stable investment with strong brand recognition in a market with limited competition. The property features a 2-story design with an elevator, outdoor pool, and fitness center.

The offering includes significant real estate value across two parcels totaling 2.24 acres (a 1.49-acre hotel site and a separate 0.75-acre parking lot).

Located strategically near the TVA and Wendell H. Ford Regional Training Center, the hotel is well-positioned to capture steady corporate and government demand.

## Investment Potential:

The business is currently absentee-owned. Profits will increase under a hands-on owner-operator who can manage the property more efficiently and reduce payroll and operating expenses. The projected payroll is based on an owner-operated model, which is the most effective structure for a motel of this size.

This opportunity is ideal for a motivated buyer, particularly a young couple or individual seeking an owner-operator business. While the property does not include a manager's apartment, the owner can rent a nearby three-bedroom home for approximately \$800–\$1,200 per month or purchase a residence for under \$200,000.

With active management and strategic marketing initiatives, a new owner can significantly increase revenue and overall profitability.

## Key Takeaways:

- **Low down payment - 20%**
- Main business is comprised of out-of-town workers for the TVA power plant, regional manufacturing, and the military training center.
- The hotel is, on average, about 95 miles from Nashville, Louisville, and Evansville.
- Ideal for an owner-operated management model to minimize expenses.
- Strategic marketing can unlock substantial revenue growth.

# PROPERTY INFORMATION

Address	627 S 2nd St, Central City, KY 42330
Building	2 stories - Interior corridor
Built	2007
Land Area	The property consists of two parcels: a 0.75-acre parking lot and a 1.49-acre motel site.
Hotel Type	Franchise Membership
Management	Owner-operated

## Hotel Features

Full Breakfast	Guest Laundry
Free Parking	Pool
24-hour front desk	High Speed Wi-Fi
Business Center	Interior corridors
Mail Services	Ice/vending machines

Please click here to view  
photos of the hotel

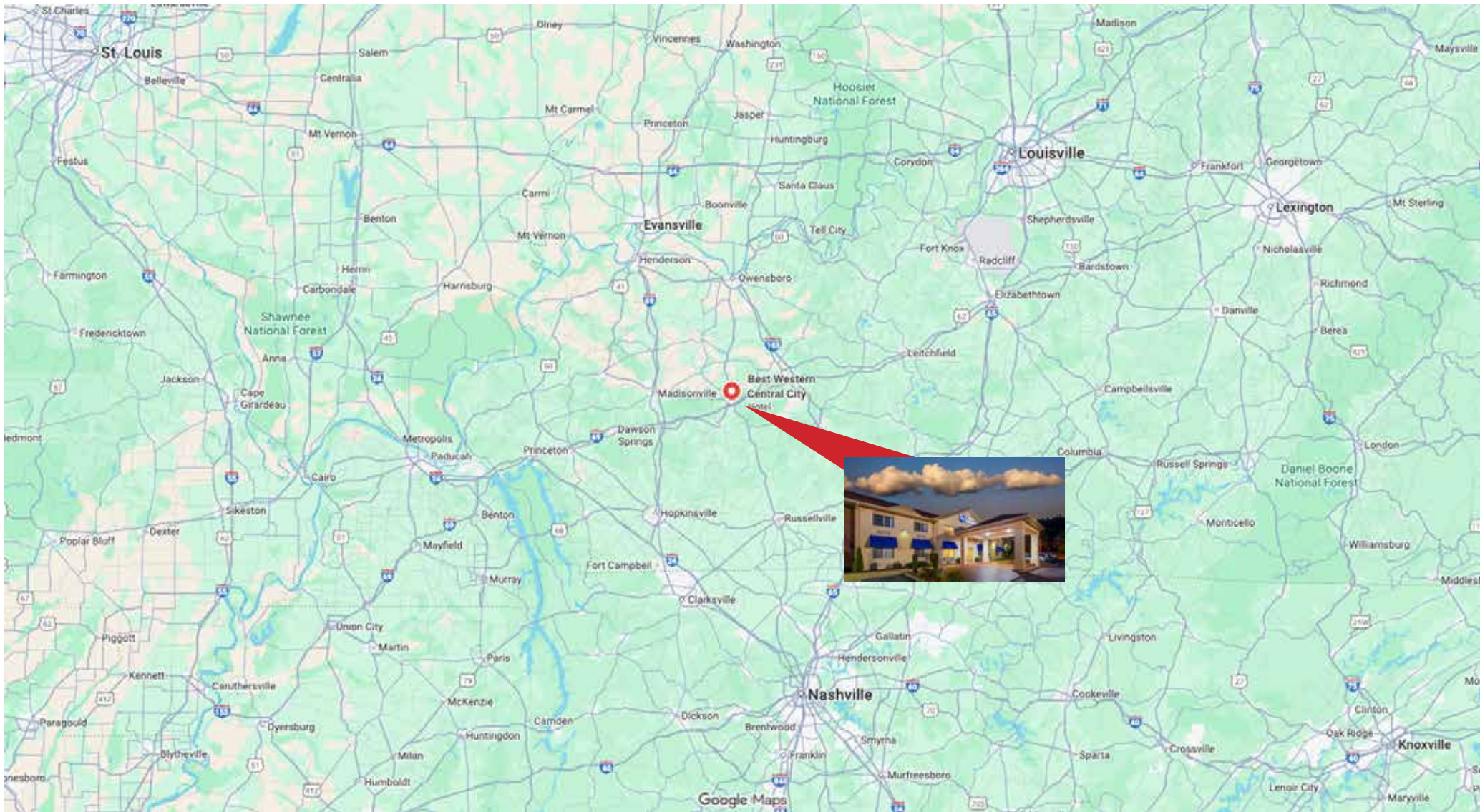
# FINANCIAL SUMMARY\*

	2023	2024	2025	1st Year Projections	2nd Year Projections
Total Revenue (before tax)	\$1,191,913	\$1,110,152	\$1,001,564	\$1,051,642	\$1,104,224
Occupancy	82%	72%	65%	66%	67%
Average Occupancy Comp Set	60%	57%	62%	-	-
ADR	\$111	\$115	\$115	\$118	\$122
Average ADR Comp Set	\$109	\$113	\$119	-	-
RevPAR	\$88	\$82	\$74	\$78	\$82

\*2023 - 2025 data is from STR reports and Tax Returns. The 1st and 2nd year financial projections presented in this memorandum are based on a comprehensive analysis of industry benchmarks, market trends, and established hospitality practices. While the implementation of the proposed marketing strategies is expected to contribute significantly to achieving these projections, including targeted occupancy and Average Daily Rate (ADR), such results cannot be guaranteed.



# MAP & LOCATION



# MARKET OVERVIEW

## CENTRAL CITY KENTUCKY



Central City, Kentucky, a resilient and industry-driven community, presents a unique opportunity for hotel investment.

Located in Muhlenberg County, this property enjoys a strategic position in Western Kentucky, approximately 95 miles on average from Nashville, Louisville, and Evansville, providing convenient access for travelers moving along the Western Kentucky Parkway and US-431.

Central City serves as a vital regional hub for the energy, manufacturing, and military sectors, attracting a steady flow of contractors and corporate travelers. Main business is comprised of out-of-town workers for the TVA Paradise Plant, regional manufacturing hubs, and the Wendell H. Ford Regional Training Center. The area is also recognized for its musical heritage and outdoor recreation, which contribute to consistent seasonal lodging demand.

Demographically, Central City benefits from a stable industrial base and regular visitation from surrounding counties, creating dependable year-round occupancy. Its position as a commercial center combined with limited hotel competition in the immediate area strengthens the market position of quality accommodations.

This strategic location positions the hotel to capture both business and leisure travelers, including corporate guests, government contractors, utility crews, and families visiting the area.

Central City offers a stable and proven hospitality market, making this Best Western investment an attractive and compelling opportunity.



# Attractions and Employers

Attractions	Distance to Hotel	Employers	Distance to Hotel
Everly Brothers Monument	0.5 miles	First United Methodist Church	0.3 miles
Rails to Trails	1.0 miles	Gourmet Express	4.0 miles
Central City Convention Center	1.0 miles	Wendell H. Ford Training Center	5.0 miles
Muhlenberg Museum	4.0 miles	Muhlenberg Community Hospital	5.0 miles
Muhlenberg Arts Center	4.0 miles	Green River Correctional Complex	6.0 miles
Duncan Arts Museum	5.0 miles	Ensign-Bickford (EBA&D)	7.0 miles
Gregory Lake	8.2 miles	Dyno Nobel	7.0 miles
Lake Malone State Park	15.0 miles	TVA Paradise Power Plant	15.0 miles
Beaver Dam Amphitheatre	20.7 miles	Major Regional Hubs	Various
Evansville, Indiana	75 miles		
Nashville, Tennessee	89 miles		
Louisville, Kentucky	120 miles		

# PROJECTIONS\*

**2025**  
Actual Revenue  
Estimated Expenses

**1st Year**  
Projections

**2nd Year**  
Projections

Gross Sales (Before Tax)	\$1,001,564	\$1,051,642	\$1,104,224
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## EXPENSES:

Accounting and Legal	\$6,000	\$5,000	\$5,250
Credit Card Fee (2.5%)	\$29,938	\$26,291	\$27,606
Franchise Fee	\$146,864	\$131,455	\$138,028
Insurance	\$33,000	\$33,990	\$35,009
Miscellaneous	\$1,300	\$2,000	\$2,100
Payroll	\$219,936	\$153,300	\$160,965
Payroll Taxes	\$22,051	\$19,163	\$20,121
Pest Control and Trash	\$900	\$927	\$973
Property Taxes and Licenses	\$29,254	\$30,000	\$31,500
Repairs and Maintenance	\$14,000	\$18,000	\$20,000
Selling Expenses (Commission)	\$3,880	\$4,074	\$4,278
Supplies	\$125,940	\$75,000	\$78,750
Telephone and Internet	\$16,959	\$18,000	\$18,900
Utilities	\$51,558	\$53,105	\$55,760
Total Operating Expenses	\$701,580	\$570,305	\$598,820
Net Operating Income	\$299,984	\$481,338	\$505,405
Debt Service (Estimated)**	\$286,428	\$286,428	\$286,428
Net Profit	\$13,556	\$194,910	\$204,655
Debt Service Coverage Ratio	1.05	1.68	1.76

\*The financial projections presented in this memorandum are based on a comprehensive analysis of industry benchmarks, market trends, and established hospitality practices. While the implementation of the proposed marketing strategies is expected to contribute significantly to achieving these projections, including targeted occupancy and Average Daily Rate (ADR), such results cannot be guaranteed. \*\*Debt service calculations are based on a \$3,950,000 purchase price, a 20% down payment and closing costs. The loan is amortized over 25 years at an interest rate of WSJ Prime rate + 1%. The total loan amount is estimated to be \$3,160,000.

# PROJECTIONS BREAKDOWN\*

## **The opening year forecasts project a solid foundation for the hotel's success:**

Anticipating a 66% occupancy rate with an average daily rate (ADR) of \$118. This is followed by a projected slight increase to 67% occupancy rate in year two, alongside a slightly increased ADR of \$122.

## **To achieve occupancy rates comparable to the Comp Set, here are some suggestions:**

- The projected payroll is based on an owner-operated model, which is the most effective structure for a motel of this size. While the property does not include a manager's apartment, the owner can rent a nearby three-bedroom home for approximately \$800–\$1,200 per month or purchase a residence for under \$200,000.
- Accommodate Weekly Workers and Group Bookings: Previously, the property may not have catered to these segments. Including them in your marketing strategy can significantly increase bookings.
- Implement a Strategic Advertising Campaign: Consider employing billboards along the Interstate highway to showcase your weekly and most competitive daily rates. Additionally, signage on the property itself highlighting weekly rates would provide valuable exposure to potential guests.
- By incorporating these suggestions, you can broaden your reach and attract new customer segments, potentially bringing occupancy rates closer to Comp Set targets.

## **Own Your Dream Hotel:**

- Secure your future in hospitality with a minimal upfront investment.
- For a limited time, a down payment of just 20% unlocks ownership
- This attractive financing structure reduces the traditional loan amount to a manageable ~\$3,160,000.

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