



THE WEATHERFORD

23 N. Leroux Street | Flagstaff, AZ

BUSINESS
FOR SALE

\$6,500,000

CONTACT

Kevin B. Call, CPA

Principal, Designated Broker
928 440 5450
Kevin@KellyandCall.com

Rob Gerlak

Principal
928 440 5450
Rob@KellyandCall.com



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This Offering Memorandum contains select information pertaining to the business, affairs and assets of the company known as The Weatherford Hotel, 23 N. Leroux Street, Flagstaff, Arizona (hereinafter the "Company").

This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Company. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Kelly and Call Commercial. The material is based in part upon information supplied by the Seller and in part upon financial information obtained by Kelly and Call Commercial from sources it deems reliable.

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This Offering Memorandum is deemed to represent the state of affairs of the Company currently, but does not represent or constitute an indication that there has been no change in the state of affairs of the Company since this Offering Memorandum was prepared.



Overview

The Weatherford Hotel is one of the most iconic hotels in Flagstaff, serving as the home of three highly successful pubs & grills, offering catering services, and venues for events. Rich in history and located in the heart of downtown, it is one of the most popular hotels in Flagstaff for visitors, wedding parties, and events alike, offering a unique historic experience with charming hospitality. Located just a block away from historic Route

66, the Weatherford Hotel is situated among art galleries, boutiques, an assortment of dining and nightlife venues, and adjacent to the central community and tourist gathering spot of Heritage Square. The Weatherford's New Year's Eve "Pine Cone Drop" has made national headlines, along with the hotel's place in Flagstaff's 4th of July celebrations. The hotel is blocks away from Flagstaff City Hall, Coconino County offices and courts, and Highway 180, which leads to the Arizona Snowbowl and Grand Canyon National Park.

Executive Summary

Address:	23 North Leroux Street, Flagstaff, Arizona
Description:	Four (4) businesses plus real estate. Businesses include multiple food, beverage, and event venues along with a boutique hotel in a location noted on the National Register of Historic Places
Businesses:	Charly's Pub and Grill Zane Grey Ballroom and Bar The Gopher Hole Pub The Weatherford Hotel
Food Service:	Full kitchen with multiple staging areas, serving 4 historic bars and dining areas
Hotel:	17 elegantly period refurbished rooms Standard, Queen, and King beds
Staff:	Average of 34 to 40 employees
Sale Price:	\$6,500,000 plus food/beverage inventory Includes a #6 liquor license
EBIDA:	\$386,370 (2024)

CAP Rate at Offering Price:	6.00%
Building Size:	23,767 Square Feet
Land Area:	10,350 Square Feet
Age:	Built in 1897 Converted to a hotel in 1900 Multiple renovations completed
Frontage:	Corner Location 142 Feet Aspen Avenue 75 Feet Leroux Street
Parking:	8 parking spaces on the west side of the building Municipal parking structure across the street
Zoning:	Central business district
Utilities:	Electric - Arizona Public Service Natural Gas - Unisource Energy Water/Sewer - City of Flagstaff

Executive Summary

Fire Protection:	The building is fully equipped with sprinklers throughout and a wet and dry system	Surrounding Uses:	Flagstaff City Hall Coconino County Court House and administrative offices Federal District Court with supporting services Amtrak Station ½ block away 4 national banking institutions Multiple general retail facilities New (2017) Marriott Hotel Multiple professional office facilities Extensive pubs and craft breweries within walking distance
Construction:	Native Coconino Sandstone quarried		
Roof:	Built-up asphalt with coating		
Balcony:	Rebuilt with steel understructure and wood decking		
Elevator:	Foundation completed on west exterior for full-service elevator	Economic Drivers:	Grand Canyon National Park Northern Arizona University Lowell Observatory Arizona Snow Bowl Ski Area Northern Arizona Health Care
Plumbing:	Extensive upgrading, rebuilding, and refurbishing completed		
Electrical:	Upgraded 3 phase, 600 amp service		
Loading and Service:	Alley access		

	2024	% of Revs	2023	% of Revs
Number of Guestrooms	17		17	
Number of Operating Days	261		261	
Available Room Nights	4,437		4,437	
Occupied Room Nights	2,884		2,884	
Occupancy %	65%		65%	
Average Daily Room Rate	\$153.55		\$151.78	
RevPar	\$99.81		\$98.66	
Revenues				
Rooms	\$460,663	19.30%	\$455,334	20.83%
Restaurant	424,634	17.79%	442,311	20.23%
Charly's Pub and Grill	332,922	13.95%	408,022	18.67%
Zane Grey Ballroom	439,288	18.41%	400,946	18.34%
The Gopher Hole	497,545	20.85%	479,311	21.93%
Events, Catering & Other	231526	0.00%	0	0.00%
Total Revenues	2,386,578	100.00%	2,185,924	100.00%
Cost of Sales				
Labor	955,512	40.04%	861,573	39.41%
Food	233,988	9.80%	208,676	9.55%
Beverage	191,506	8.02%	196,062	8.97%
Retail Product Costs	8,807	0.37%	10,101	0.46%
Other COGS	71,634	3.00%	52,980	2.42%
Total Cost of Sales	1,461,447	61.24%	1,329,392	60.82%
Operating Expenses				
Operating Costs	175,580	7.36%	169,374	37.20%
Building Maintenance & Costs	249,543	10.46%	286,442	64.76%
Admin Costs	113,639	4.76%	73,688	18.06%
Total Operating Expenses	538,762	22.57%	529,504	24.22%
EBIDA	386,369	16.19%	327,028	14.96%

HISTORICAL OVERVIEW



Typical of most frontier towns in the late 19th century, early Flagstaff was a victim of numerous disastrous fires. A series of blazes in 1897 prompted the city to pass an ordinance requiring all buildings in the business area to be constructed of brick, stone, or iron. Among the new buildings appearing in 1897 was the predecessor of the Weatherford Hotel, built by John W. Weatherford, a native of Weatherford, Texas. The original structure, built with a façade of red Coconino sandstone, housed a general store on the first floor and living spaces for the Weatherford family on the upper floor. John Weatherford soon realized that tourism would offer an economic boom to the growing town, primarily due to a new rail connection to the Grand Canyon, 80 miles to the north. In March of 1899, Weatherford began construction of a three-story modification, and the Weatherford Hotel opened on New Year's Day 1900. For many years, the Weatherford was the most prominent hotel in Flagstaff, entertaining guests such as artist Thomas Moran, publisher William Randolph Hearst, and western author Zane Grey. Grey's novel, "The Call of the Canyon", was written in an upstairs room, now part of the Zane Grey Ballroom. At various times, the hotel housed a theatre, restaurant, billiard hall, and a local radio station.

Henry Taylor, the current owner, purchased the hotel in 1975 with his brother, with the intention of saving it from potential demolition. Since 1980, Henry and his wife, Pamela (Sam) Green, have been continually renovating the structure to restore it to its original grandeur.

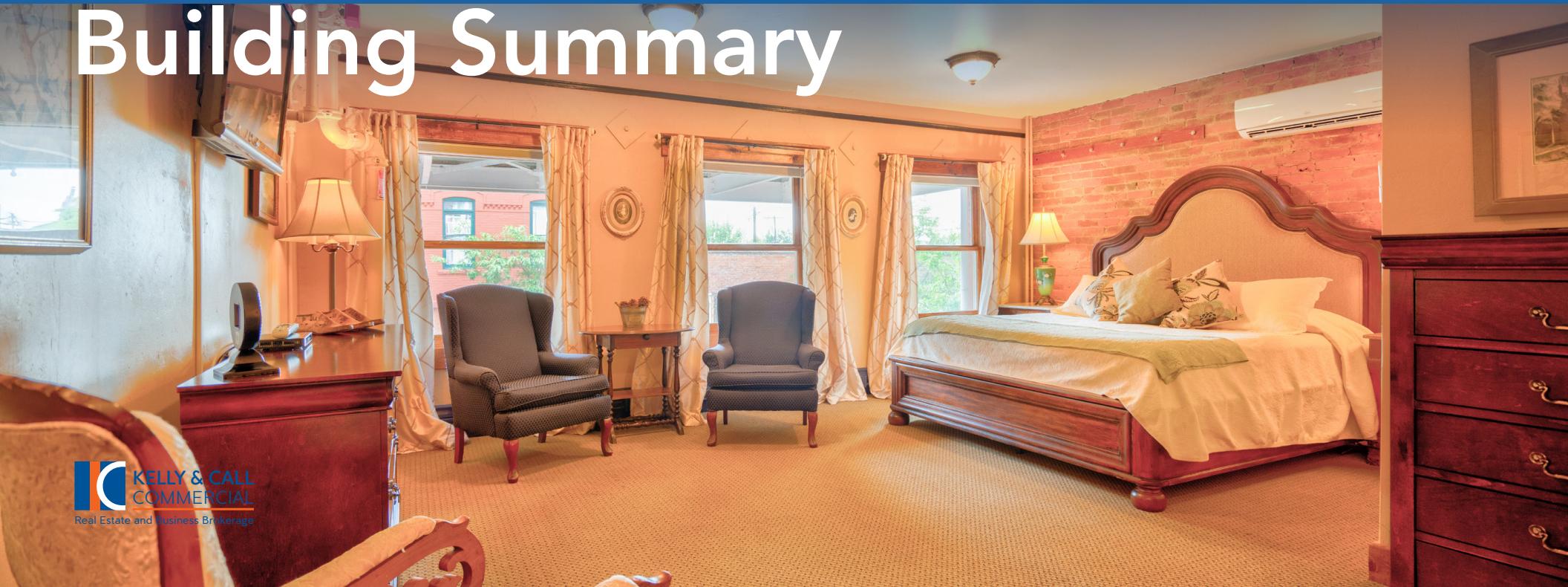
In 1978 and 1981, Charly's Restaurant and Charly's Pub opened on the first floor, following the restoration of the central fireplace room and lobby, along with the incorporation of spaces previously used as private hotel rooms.

In the late 1990s, Henry and Pamela were awarded one of the most significant commercial grants in Arizona history, intended for the restoration of the original balconies. The third floor, Zane Grey Ballroom, opened in 1997, in preparation for the reconstruction of the balconies. The first stage of reconstruction,

the wrap-around porches, was completed in December 1998. In the building's basement, The Gopher Hole opened in 2014, recreating an original club that occupied the space. In June 2016, the building's structural reinforcement was completed with the installation of steel posts and beams throughout the first and second floors.

The building became fully operational with the restoration of 17 hotel rooms. These rooms retain original claw-foot tubs, showers, and other fixtures. Downstairs in the lobby, the ceiling was restored to its original height of 19 feet, with a new concierge desk replacing the 1930s mezzanine floor reception area. The restoration included a new Victorian-style staircase, returning the hotel's entrance to its original grandeur.

Building Summary







WEATHERFORD VENUES

The Weatherford's turn-of-the-century ambiance is the perfect venue for events large or small, simple or elegant. With four unique venues, it is the ideal place for wedding receptions, ceremonies, rehearsal dinners, meetings, business lunches and dinners, baby and bridal showers, and holiday gatherings.

CHARLY'S PUB AND GRILL

Charly's Pub & Grill serves lunch, and dinner. They are famous for their Navajo tacos, fresh soups and breads, posole, steaks, prime rib, burgers, and a variety of vegetarian dishes. The Grill can be divided into two separate venues, with a door separating the main dining room from the Exchange Pub bar.

The Gopher Hole is a public bar and entertainment venue available for rent to host private parties of up to 200 guests. There is also live entertainment on Friday and Saturday nights.

Newly renovated, the Gopher Hole opened to the public on July 4, 2014. This classic basement bar offers a cozy atmosphere and a variety of food and drinks. The Gopher Hole features a game room equipped with a billiards table, darts, a pinball machine, and ping pong, as well as a wood-burning fireplace that is lit during the winter months.

THE GOPHER HOLE





ZANE GREY BALLROOM

The Zane Grey Ballroom, named in honor of the Western novelist and former hotel resident, boasts incredible ambiance, featuring a wrap-around balcony where guests can experience the picturesque views while sipping on a signature cocktail and enjoying an array of appetizers. When the ballroom is not booked for events, it is open to the public. The stained glass windows, restored Brunswick bar from Tombstone, wood floors, and original fireplaces set the stage for casual elegance, bringing Old West charm to one of Flagstaff's finest bars.



The Great Pinecone Drop

ID 36444013 © Derrick Neill | Dreamstime.com

Since New Year's Eve 1999, the Weatherford Hotel has been the central point for the Flagstaff Community New Year's celebration. Like the ball drop in New York's Times Square, which marks the beginning of a new year, the Great Pinecone drop in Flagstaff is the local version of the tradition.

The owners of the Weatherford Hotel were looking for a way to greet the millennium. Drawing from the surrounding ponderosa pine forest, they came up with the idea of dropping a giant

pinecone from the top of the hotel. The lighted pinecone is made of tin and is about 6 feet high by 5 feet wide and is lowered both at 10 p.m. Flagstaff time, to coincide with the New York drop, and again at midnight local time.

The tradition begins with a block party and music starting at 8 p.m. As a family event, children come in pajamas and families crowd the area around the hotel with lawn chairs and blankets to await the New Year. The celebration culminates with a light show and fireworks.

MARKET SUMMARY

Flagstaff is located in Arizona's high country, surrounded by the largest ponderosa pine forest in the world. Considered a tourist destination for all seasons, there is plenty of outdoor recreation with camping, hiking and biking trails, beautiful fall colors, and winter snow play and skiing. Taking advantage of the comfortable summer temperatures, Flagstaff has outdoor festivals from June through October, including the Museum of Northern Arizona Heritage Festivals focused on Native American and Latin cultures.

Flagstaff is the regional crossroad for Northern Arizona and Grand Canyon National Park. The 4 million visitors and large second homeowner population in Flagstaff are drawn to the city's four seasons, accessible location and fulfilling quality of life. Flagstaff has a population of 76,586 and a metropolitan area population of 144,472.

The community is also a college town focused on quality education, research and professional development with almost 30,000 students attending Northern Arizona University and 10,000 students attending Coconino Community College.

In addition to tourism and education, Flagstaff has a strong science sector which includes Flagstaff Medical Center; a regional hospital and level 1 trauma facility, W.L. Gore medical products, and Lowell Observatory. Flagstaff is designated as the world's first Dark Sky City for its work in preservation of the night sky's natural resource.

This ever-growing resort type community, consisting of local families, vacation rentals, Northern Arizona's regional market and second homes from all walks of life, provides a strong customer base for commercial enterprises.





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