

RIVER VALLEY RANCH GOLF/EXCESS LAND ON DRIVING RANGE  
HOTEL MARKET STUDY  
Carbondale, Colorado, Garfield County  
Z. GORDON DAVIDSON & ASSOCIATES, INC.



Z. GORDON DAVIDSON & ASSOCIATES, INC. has researched the lodging performance of hotels within the Aspen Valley through interviews, visits, and industry data available. The team included Z. Gordon Davidson and Ryan G. Davidson who have aligned together for consulting services. The purpose of this market study was to determine the potential market for a luxury hotel.

The neighboring parcels have a championship 18-hole golf course with supporting amenities that is situated on approximately 200± acres, including the 13.25± driving range. The golf course was designed by Jay Morrish, Colorado native and golf hall of famer. GOLFPASS 2023 Voted River Valley Ranch Golf No. 2 Best Public Golf Course in Colorado. The amenities include a clubhouse, cart storage, restaurant, bar & grill, driving range, practice putting green, and maintenance building.

The subject property is in the community of River Valley Ranch, Carbondale, Garfield County, Colorado. The following is an analysis is the site to be improved with a full-service, boutique lodging facility situated on 13.25± acres. The property could feature 80-100 rooms, a restaurant, 12,000 square feet of meeting space, an outdoor pool, an outdoor whirlpool, and a gift shop.

Data, information, and calculations leading to the findings and conclusions are incorporated in the report following this letter. The study, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

Certain information included in this report contains projected estimates and statements on expected future events that were provided by the client, i.e., HVS Consulting and Valuation, Market Study. HVS is an International Consulting Firm focused on Hotels, Golf Courses, and Wellness oriented Developments.

Although we believe that the expectations in this report are reasonable, any and all the estimates or projections in this report may prove incorrect. To the extent possible, we have attempted to verify and confirm estimates and assumptions in this analysis. However, some

assumptions inevitably will not materialize as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties and unanticipated events and circumstances, which may occur. Consequently, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material. As such, Z. Gordon Davidson & Associates, Inc. accepts no liability in relation to the estimates provided herein.

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**AERIAL VIEW WEST OF THE SUBJECT PROPERTY**



**AERIAL VIEW SOUTH OF THE SUBJECT PROPERTY**



**TYPICAL AERIAL VIEW EAST OF THE SUBJECT PROPERTY**



**TYPICAL AERIAL VIEW NORTH OF THE SUBJECT PROPERTY**

## HOTEL MARKET STUDY

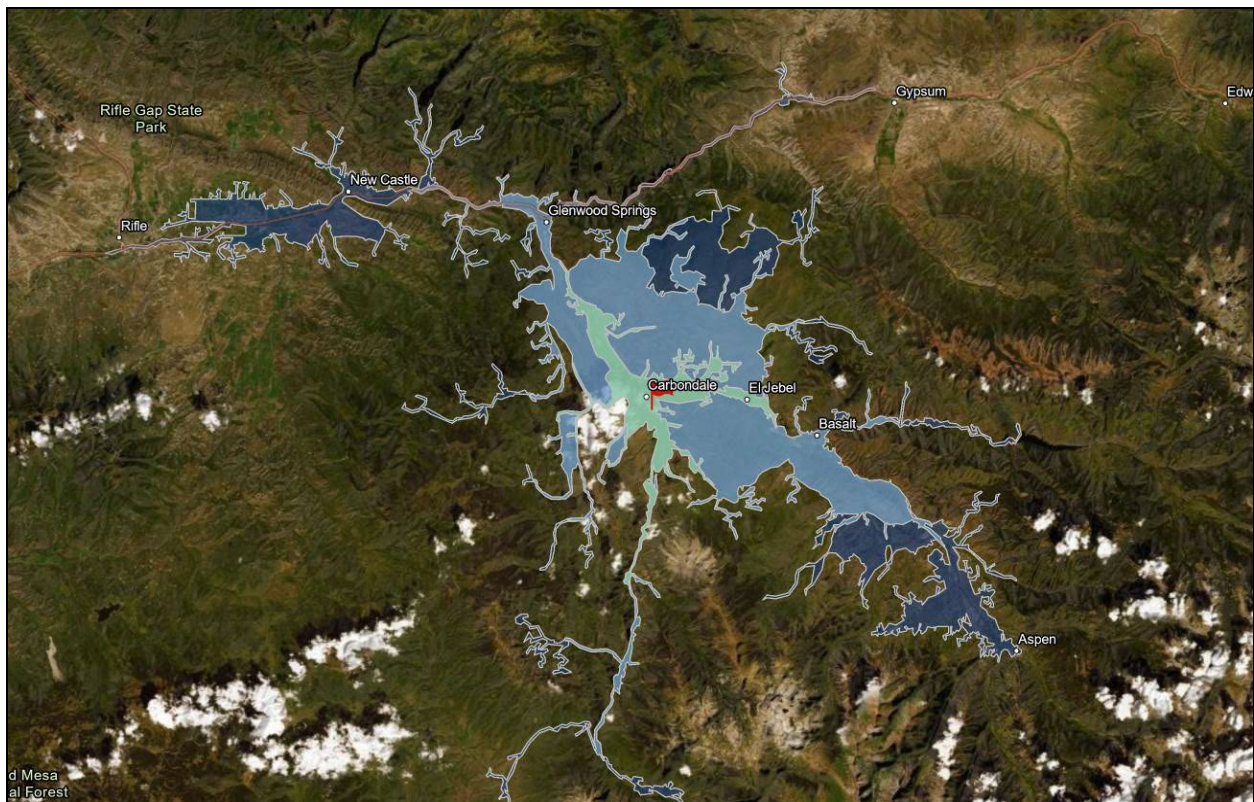
### LOCAL HOTEL MARKET OVERVIEW

The primary market area of the subject primarily includes the local area of Carbondale and Garfield County and surrounding region of Aspen Valley. The secondary market area includes lodging throughout the region of Colorado.

### Detailed Analysis – Local Supply & Demand

We start the detailed analysis with the existing supply of hotels within the draw area of Carbondale and a map showing the draw area.

#### MAP OF THE DESIGNATED MARKET AREA



The subject property is located at the center of the radius map and designated by the red flag. The subject property is within a draw area which is \$126,000 (rounded) to \$132,600 (rounded) Average Household Income, this area is identified as "Above Average Income." The

survey was conducted by ESRI, from 2022 forecasts data, one of several aggregators and distributors of US Census Information. The request for a draw area was a 15-minute drive radius, 30-minute drive radius, and a 60-minute drive radius, which is the Designated Market Area, or DMA.

The following charts are a demographic detail summary report of the key areas related to the supply and demand for lodging.

<b>SELECTED NEIGHBORHOOD DEMOGRAPHICS</b>			
<b>GOLF AT RIVER VALLEY RANCH</b>			
Subject Property - Proposed Site 13.2 Acres Carbondale, Colorado 81623	Drive Radius 15 Minute	Drive Radius 30 Minute	Drive Radius 60 Minute
<b>Population</b>			
2027 Population Projection	15,955	36,618	94,105
2022 Estimated Population	15,463	35,702	92,755
2010 Population	14,310	33,603	84,607
2000 Population	12,020	28,206	64,974
Growth 2000 - 2010	19.05%	19.13%	30.22%
Growth 2010 - 2022	8.06%	6.25%	9.63%
Growth 2022 - 2027	3.18%	2.57%	1.46%
<b>Households</b>			
2027 Households Projection	5,709	13,892	35,019
2022 Estimated Households	5,510	13,518	34,495
2010 Households	4,908	12,476	31,644
2000 Households	3,961	10,483	24,570
Growth 2000 - 2010	23.91%	19.01%	28.79%
Growth 2010 - 2022	12.27%	8.35%	9.01%
Growth 2022 - 2027	3.61%	2.77%	1.52%
<b>Income</b>			
2022 Estimated Median Household Income	\$96,547	\$93,216	\$92,703
2022 Estimated Average Household Income	\$132,609	\$127,002	\$126,061
Age 25+ College Graduates - 2022	5,183	11,668	26,595
Age 25+ Percent College Graduates - 2022	50.1%	47.9%	42.6%

Source: August 5, 2022 Survey - ESRI from U.S. Census Bureau



Highlights of the key demographic composition and trends for the Designated Market Draw (DMA) area of 15-minute, 30-minute, and 60-minute drive radius are:

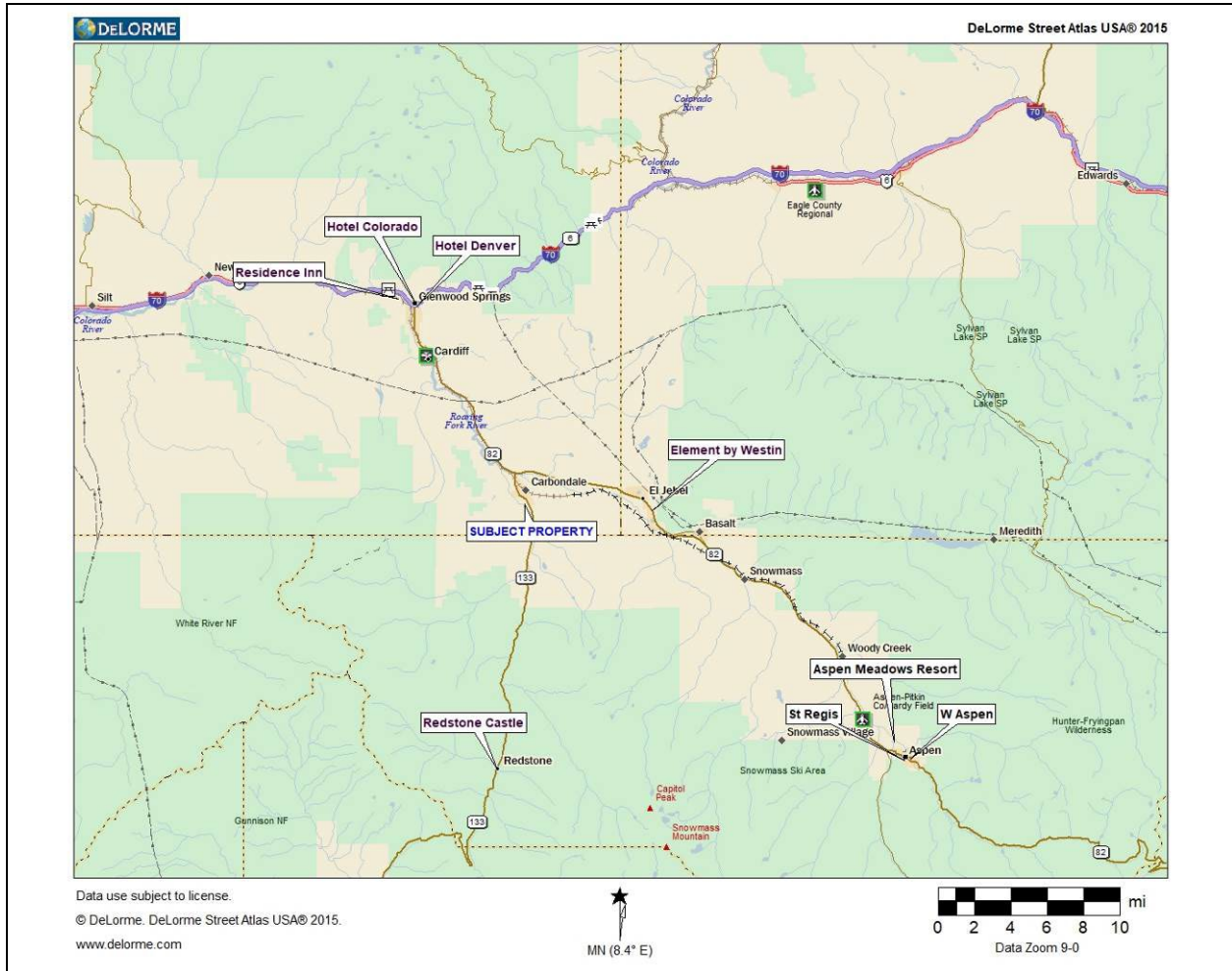
- Population growth projections from 2022 to 2027 are expected to be approximately 3.18% within a 15-minute drive radius, 2.57% within a 30-minute drive radius, and 1.46%,

within a 60-minute drive radius. The indicators are higher inside the 15-minute to 30-minute drive radius.

- Population density, this draw area has a population 15,463 within the 15-minute drive radius and increase to a population of 92,755 in the 60-minute drive radius from the subject property.
- Average Household Income – The immediate area survey has an average household income of \$126,000 (rounded) within the 60-minute drive radius. The Average Household Income for this area produces a positive index due to the location being within a middle to upper income household income Zip Code.
- Median Age – Currently the median age is approximately 37.2 years old within a 60-minute drive radius from the subject property. The Median Age for this area produces a good index.



### AREA HOTELS



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***ST REGIS ASPEN***



**W HOTEL ASPEN**



**ASPENWOODS**



**ELEMENT BASALT - ASPEN**



**HOTEL DENVER**



**HOTEL COLORADO**



**RESIDENCE INN**



### **REDSTONE CASTLE**

#### ***Summary***

Based on area market study, interview with market participants, and a review of a market study completed by HVS Market Study, we have estimated that the subject should be able to compete within the designated market area. The subject property has a quality golf course that should be a premium public access facility for a local luxury hotel.

It was determined in the analysis that a demand exists for a quality luxury hotel with the supporting amenities. We visited twelve (12) area hotels and interviewed market participants, hotel operators, hotel presidents, and general managers.



AERIAL VIEW OF POTENTIAL HOTEL SITE

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## **HOTEL MARKET STUDY – SUMMARY**

The following table highlights the results of the hotel market study and identifies the property types in the area. The hotels are located within an approximate 15-minute to 30-minute drive radius of the subject and are subject to generally similar outside forces.

The research was collected from hotels that ranged from 60 to 179 rooms with an Average Daily Rate of \$325 to \$950 within the area of Aspen to Glenwood Springs. The occupancy reported was 69.5% to 89%.

The Aspen Area Activity Report dated March 31, 2023, reported the Season of November to April an Average Daily Rate of \$825 in 2022 and \$968 in 2023. The RevPar reported in 2022 was \$500 and in 2023 was \$593, showing an increasing trend.

HVS Market Study prepared for the property indicated that a strong market exists for a Resort/Wellness Hotel located on the subject property. The prime location at River Valley Ranch Golf, Carbondale, CO, enjoys proximity to Aspen, Skiing, Cultural, and Recreational activities. The Roaring Fork Valley has a world-class reputation which aligns well for a Resort/Wellness Hotel.

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## Regional Lodging Market Overview

During our market research we were able to identify regional activity of Hotel Sales and Proposed Hotel Construction within close proximity to the subject property.

**Redstone** - Research of the surrounding lodging market reported a recent sale of a Historic Castle, called Redstone Castle in Redstone, which sold for \$11,975,000 on April 4, 2022, with 15 rooms, or approximately \$800,000 per room. The hotel is currently marketing the rental for events at \$25,000. The building size is reported at 33,357 SF, built in 1902 and remodeled in 2018. See Aerial Photo below:



**Aspen** - In nearby Aspen, a hotel sale of Mountain Chalet on March 31, 2021, for \$68,000,000 and situated on .43-acre parcel with 18,774 SF building built in 1966 with 60 rooms. The sale price per room was \$1,130,000 (rounded).

**Aspen** - In addition to a more recent vacant lot sale in Aspen on March 3, 2022, for \$76,250,000, and situated on .95- acre lot. See Aerial View Below:

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**Basalt** - In nearby Basalt, a new hotel is being constructed with plans for 122 rooms upscale Hilton called The Hoffmann Hotel, a Tapestry by Hilton Collection. The Hotel will be managed by Five Senses Hospitality Management. The 4-story hotel will feature 76,679 square foot property being developed on 1.8-acre site and part of a 42.9-acre mixed use development known as Tree Farm. The plans include a 1,500 square feet of meeting space, fitness center, restaurant and bar.

Also, in Basalt, the recent sale of The Element sold in January 2023 for \$42,350,000. The 4-story hotel has 76,500 square feet and 113 rooms. The sale price per room was approximately \$375,000. See Aerial View Below:

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In Summary, the subject property is situated within 30 miles from major attractions and primary generators of lodging demand, Aspen Mountain, Aspen Highlands Ski Resort, Buttermilk Resort, Snowmass Village, Glenwood Hot Springs Pool, Sopris Park, and the Rio Grande Trail.

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