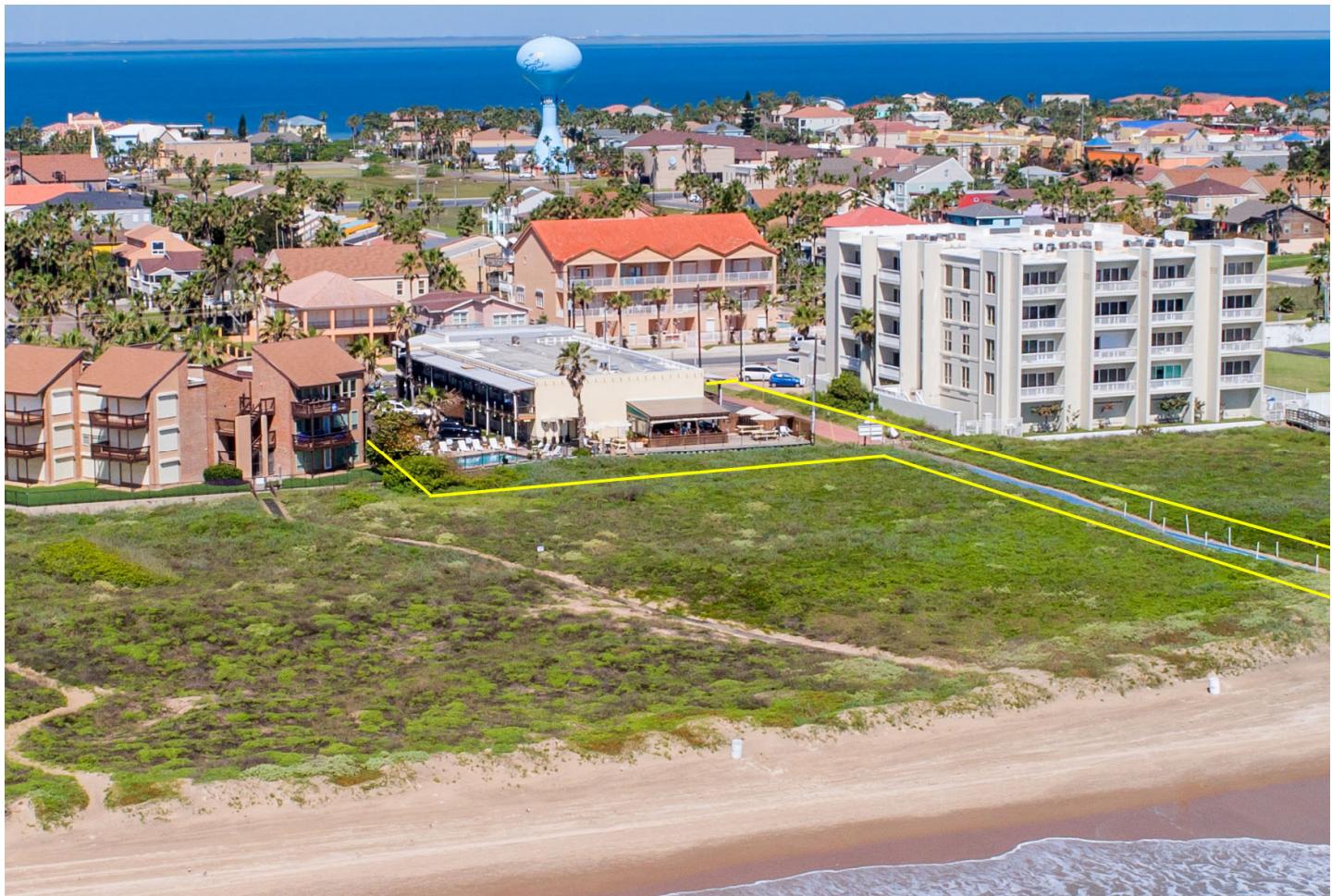




MARKETING PACKAGE



THE PALMS RESORT and CAFÉ ON THE BEACH

3616 Gulf Boulevard
South Padre Island, Tx 78597
www.PalmsResortCafe.com

A 30 mini suite boutique hotel and the Island's most popular beachfront restaurant and bar.

Offered for sale by:
Troy Giles (956) 551-2040
Texas Real Estate Broker, Partner, Palms Resort Cafe
Troy@TroyGilesRealty.com

Although this information is believed to be accurate, it can not be guaranteed. Price and terms subject to change without notice.

Principal Broker: Troy Giles
License Number: 183902

THE PALMS RESORT and CAFÉ ON THE BEACH



The Palms Resort and Cafe On The Beach have a strong track record of steady growth and very profitable operations. 2018 results delivered revenue of nearly \$2.3 million with a net profit of \$591,900. The greatest upside potential for both revenue and profit growth lie in the hotel operations. The SPI CVB recently released a report that confirms The Palms Resort has 45% upside potential in occupancy in order to be at par with the average occupancy for South Padre Island. Although currently very profitable, any increase in occupancy in the hotel would generate significant net profit growth because no capital investment would be required. With better rate management, event marketing, and targeted advertising, hotel revenue could increase to \$750,000 per year (to be on par with the 2017 average REVPAR for South Padre Island).

With the recent two-story addition, the Resort now has meeting facilities for 30 persons, an attractive lobby/gift shop, administrative area, maintenance area, and in-house laundry facility with storage for housekeeping supplies. The sale is "turnkey" with operating supplies, inventory, furniture, fixtures and equipment all included in the purchase price.

The Cafe On The Beach generates 75% of the revenue, and 77% of the net profit for this enterprise. The Palms Resort (hotel) holds the greatest potential for increased revenue and significant increased net profit. For every dollar of increased hotel sales, more than 90% of it will fall to the bottom line. Both entities employ experienced, long-term employees. The enterprise (Cafe and Hotel) is managed by a very seasoned and capable on-site manager. There are no other opportunities of this nature available.

Summary financials are available for qualified investors, or owner/operators. Detailed financials are available upon signing a Confidentiality Agreement. Please do not visit the property without the Broker. **Offered at \$5,400,000.00 at a 10.9% Cap Rate *ADJ CAP RATE: 11.6% (Adjusted for \$500,000 of furniture, inventory, operating supplies, equipment and fixtures that are included in the purchase price)**

CONTACT INFORMATION FOR LISTING BROKER:

Troy Giles
(956) 551-2040
Troy@TroyGilesRealty.com

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THE PALMS RESORT and CAFÉ ON THE BEACH

As found on Loopnet.com, a Commercial Multi Listing Website.

PRICE: \$ 5,400,000.00

CAP RATE: 10.9%

*ADJ CAP RATE: 11.6% (Adjusted for \$500,000 of furniture, inventory, operating supplies, equipment and fixtures that are included in the purchase price)

PROPERTY TYPE: HOSPITALITY

PROPERTY SUB-TYPE: RESTAURANT, BAR, HOTEL

SALE TYPE: INVESTMENT

LOT SIZE: .63 ACRES

BUILDING SIZE: 21,500 SF

NO. ROOMS: 30

NO. STORIES: 2

PARKING: 52 spaces

YEAR BUILT: 1972 / 2007 (Remodel-Café Addition)

2015 (Admin/Meeting Facility Addition)

HIGHLIGHTS

- ◆ Priced to SELL ... 11.6+% return with little effort ...
- ◆ Cafe On The Beach... food and beverage operations produce 75% of gross revenue/net income.
- ◆ Room Occupancy has 45% upside potential
- ◆ Outstanding long term resort manager and resort staff
- ◆ 30 person meeting facility offers this enterprise great increased net profit potential
- ◆ No other resort of this nature available on the Beach...See TripAdvisor
- ◆ Lots of things to do! Sea Turtle Rescue Center, largest beach bar in Texas within walking distance to the beach, The Fireworks Capital of Texas.
- ◆ Outdoor family fun! Recreational water sports available on the beach and on the Laguna Madre bay. South Padre Island also offers the largest red snapper reef in the gulf coast, and multiple eco-tourism attractions

COMMERCIAL AERIAL

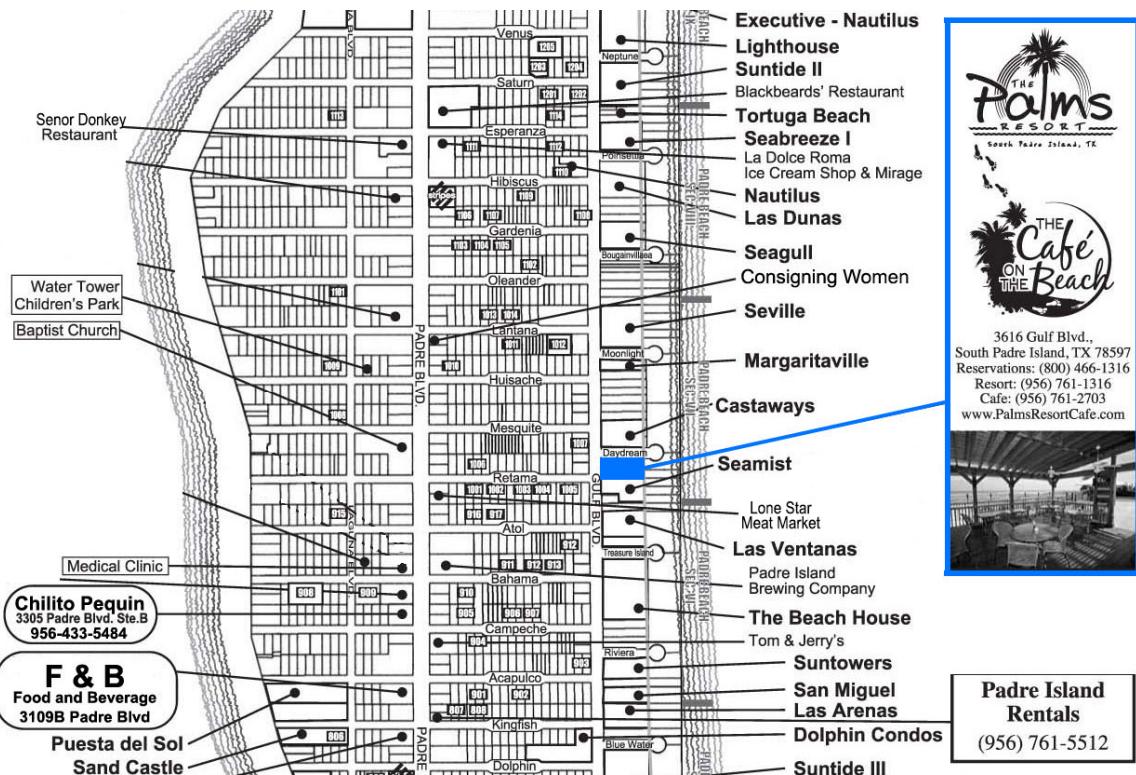


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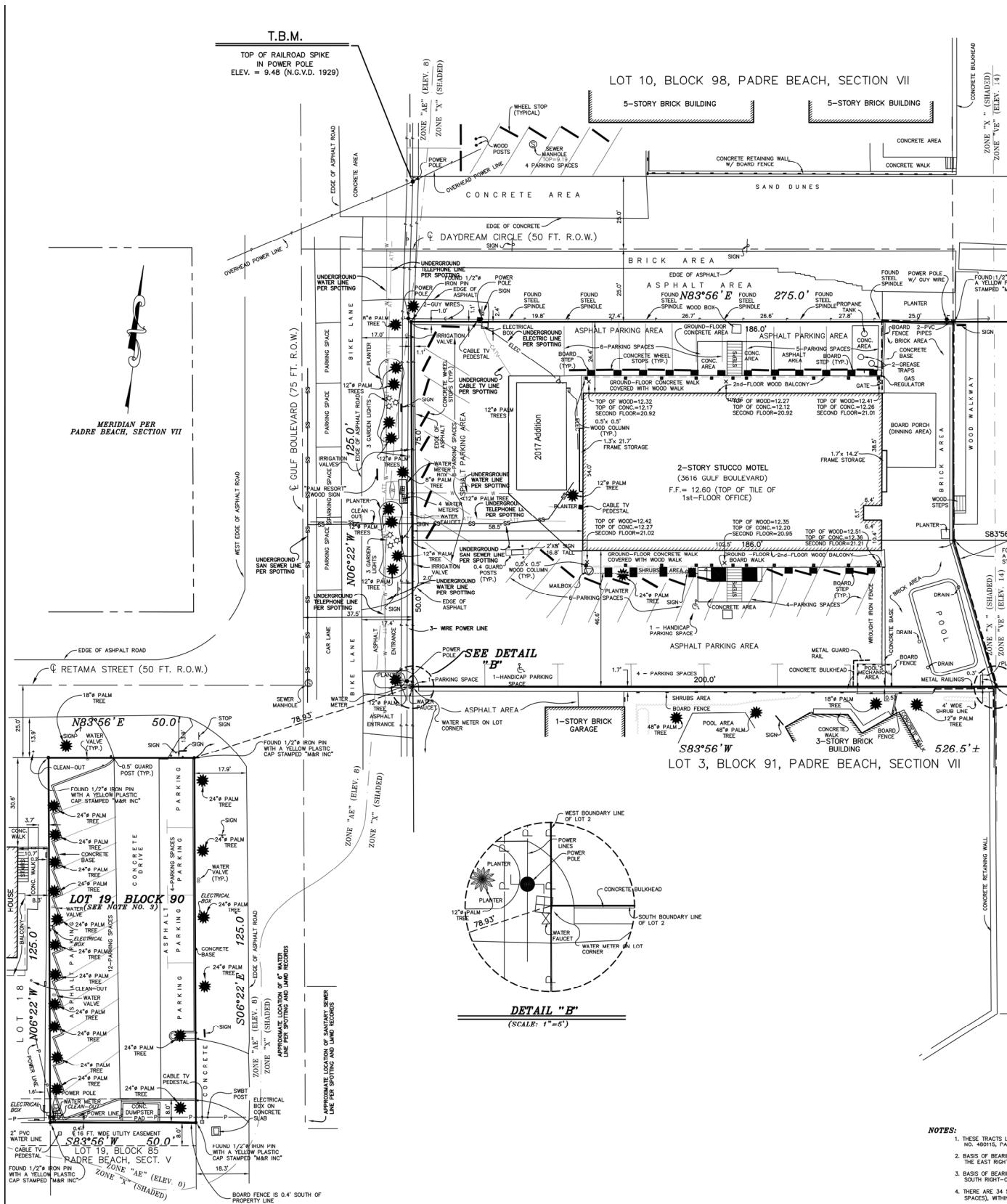
Principal Broker: Troy Giles

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AERIAL & MAP



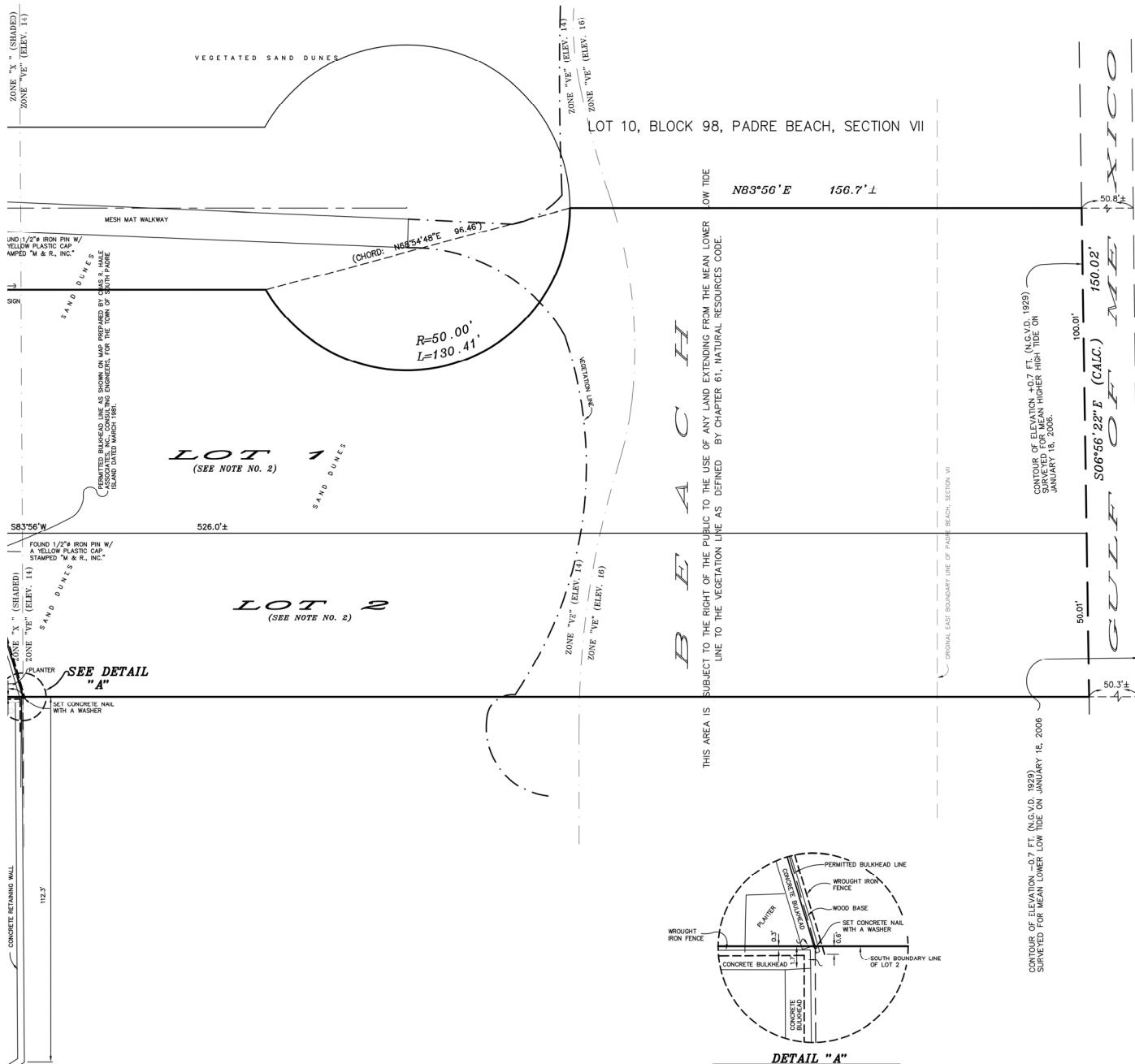
SURVEY



The undersigned hereby certifies that the survey described herein was made on the ground on AUGUST 09, 2010; that the only improvements on the ground are as shown; that there are no visible encroachments, visible overlappings, apparent conflicts, or visible easements, except as shown herein. THIS CERTIFICATION IS ONLY VALID WITH AN ORIGINAL SIGNATURE AND IF THE DRAWING CONTAINS NO ERASURES OR ADDITIONS.

1	8/28/2014	TO ADD UTILITY SPOTTING AND SPOT ELEVATIONS FROM JOB NO. 19244	S.I.
NO.	DATE	DESCRIPTION	BY

SURVEY



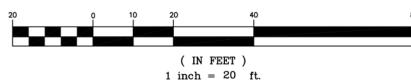
BOUNDARY AND IMPROVEMENT SURVEY
OF

OF
LOT 19, BLOCK 90; AND LOTS 1 AND 2, BLOCK 91, PADRE BEACH, SECTION VII, IN THE TOWN OF
SOUTH PADRE ISLAND, CAMERON COUNTY, TEXAS, ACCORDING TO THE MAP RECORDED
IN VOLUME 15, PAGE 21, MAP RECORDS OF CAMERON COUNTY, TEXAS.

SURVEYED FOR:

TROY GILES

GRAPHIC SCALE



Mag. & Ross, Incorporated.

Mejia & Rose, Incorporated

Engineering Surveying
T.B.P.E. Reg. No. F-2670

1643 West Price Road (956) 544-3022

P.O. Box 3761 Brownsville, Texas 78520

Fax (956) 544-3068

email: mandrinc@cngmail.com

G.F. NO. N/A **JOB NO. 18112**
Gene G. Drive Jr. / S.Trowbridge

© 2010 by S. S. Snowbridge

DRAWING FILE = ACAD-18112.DWG

G.F. NO. N/A

JOB NO 18112

JOB NO. 10112
Gene G. Drive Jr./ S.Trowbridge

PHOTOGRAPHS



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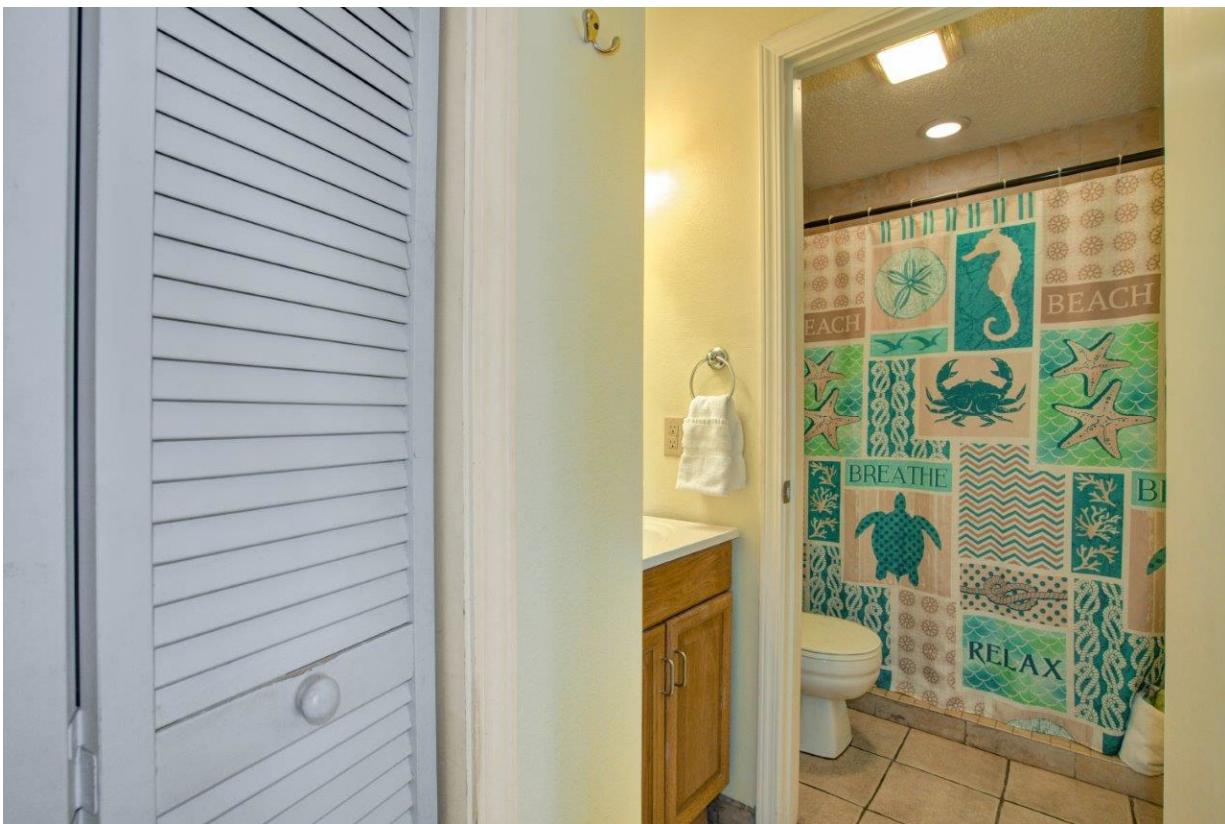
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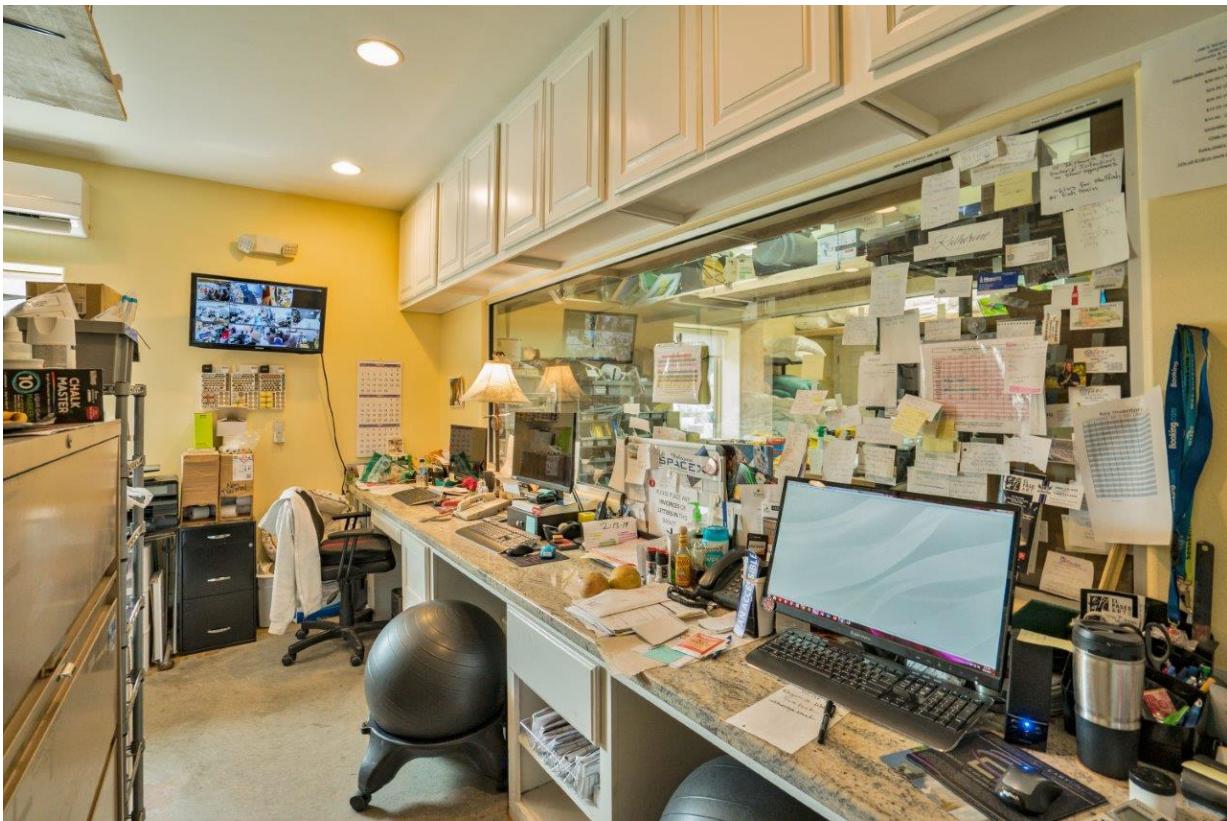
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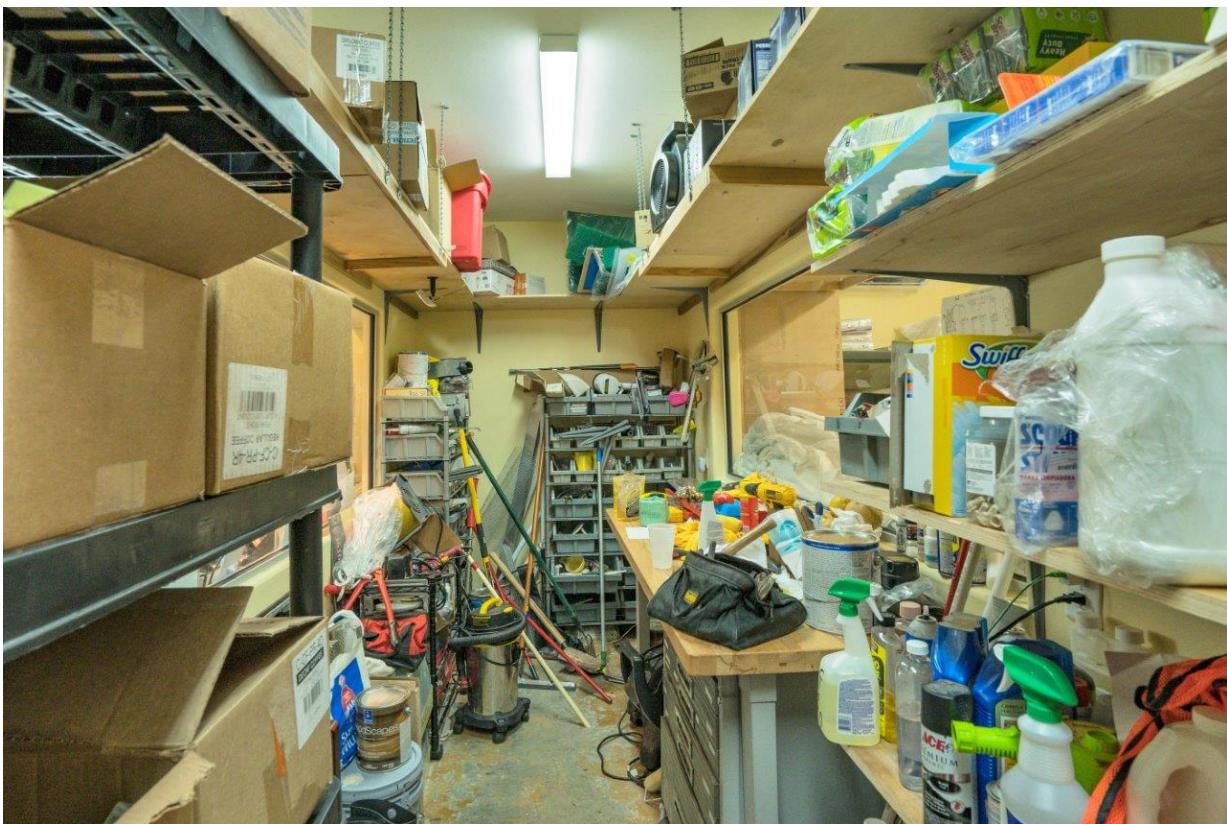
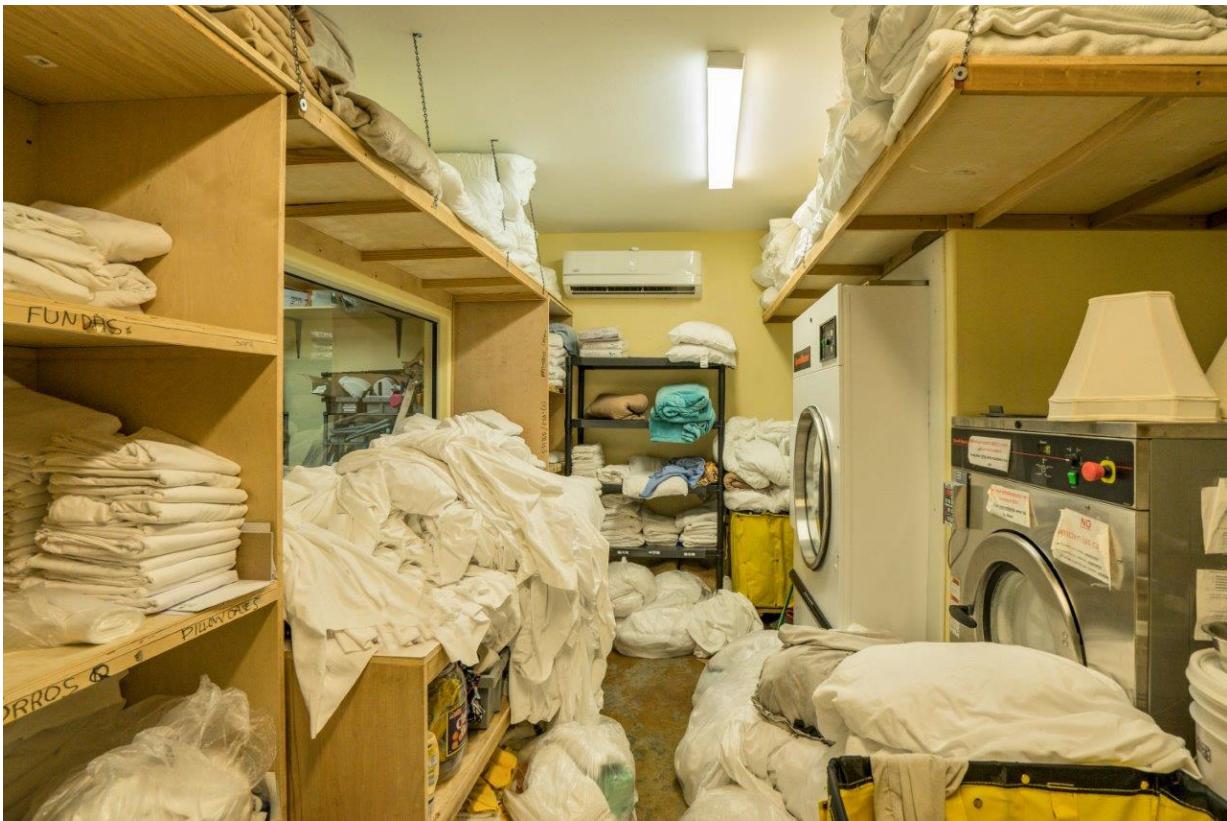
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