

EXCLUSIVE OFFERING MEMORANDUM



# COTTONWOOD CAMP ON THE BIGHORN

FORT SMITH, MONTANA

A 54 UNIT CABIN AND RV PARK FEATURING WORLD-CLASS FLY FISHING

Marcus & Millichap  
KAPLAN BROKERAGE GROUP



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OFFERING  
MEMORANDUM



BIGHORN RIVER  
#1  
"Best Trout Rivers"  
in Montana  
- *Leatherman*

A 54 UNIT CABIN AND RV PARK  
CATERING TO WORLD-CLASS FLY FISHING ON THE BIGHORN RIVER

# COTTONWOOD CAMP ON THE BIGHORN

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270 COTTONWOOD CAMP ROAD  
FORT SMITH, MONTANA 59035

Marcus & Millichap  
KAPLAN BROKERAGE GROUP



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*section 1*  
**Executive Summary**



*offering summary*



*summary of terms*



*investment overview*



*investment highlights*


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## OFFERING SUMMARY

COTTONWOOD CAMP ON THE BIGHORN  
270 COTTONWOOD CAMP ROAD // FORT SMITH, MT 59035

 <b>Total Price</b> \$1,500,000	<b>CAP Rate</b> 10.2%	<b>CAP Rate</b> 11.4% <small>2020</small>
<b>Total Spaces</b>	54 Total / 14 Cabins / 20 RV / 20 Tent	
<b>Assessor Parcel Numbers</b>	22-0458-02-4-03-01-0000 / 22-0458-02-4-04-01-0000	
<b>Year Built / Renovated</b>	1977	
<b>Lot Size</b>	± 17.37 Acres	

### SITE BREAKDOWN

RV	20
Cabin	14
Tent	20
<b>Total Spaces</b>	<b>54</b>

## SUMMARY OF TERMS

### INTEREST OFFERED

100% Fee Simple Interest

### TERMS OF SALE

Property will be delivered free of existing debt obligations. Terms to be cash at closing.

### PROPERTY TOURS

Prospective purchasers are encouraged to visit the subject property prior to submitting offers. However, all property tours must be arranged with the Marcus & Millichap listing agents. **At no time shall the tenants, on-site management or staff be contacted without prior approval.**







# COTTONWOOD CAMP ON THE BIGHORN

270 Cottonwood Camp Road, Fort Smith, MT 59035

## INVESTMENT OVERVIEW

Cottonwood Camp is an established RV, lodging, and outfitter business catering to fishing enthusiasts on the Bighorn River.

Numerous income sources include lodging, RV and tent spaces, fly shop, fishing guide service, and shuttle service.

The camp is located less than a mile from the Lind Access boat ramp at mile 3 on the Bighorn River.

It is the only lodging in the area to offer kitchens, drawing outdoor enthusiasts and families seeking freedom and flexibility.

Cottonwood Camp has been in operation for over 35 years.

75% of the camp's visitors are return clients with currently no advertising other than limited advertising to fly fishing enthusiasts.

Extensive capital improvements exceeding \$500,000 have been completed during the past 5 years.

Billings MT Airport is 90 minutes away with direct flights to Denver, Salt Lake City, Seattle, Dallas - Ft Worth, Minneapolis, and Portland (depart Denver at 8 AM, be on the river by lunch time).

Fort Smith's 3,800 foot airfield is located 3 miles from the property.

## INVESTMENT OPPORTUNITY

Bighorn National Recreation Area and Hunters not Currently Marketed To.

Little Exposure on Good Sam Network, State Tourism Board, or Other RV and Tourism Websites

9+ Additional Acres Available for Development

Additional Income Opportunities through More Cabins, RV and Tent Spaces, RV Services, Food Service, Convenience Store and More

Offered at 11.1% CAP Rate on 2018 income.









*section 2*  
Property Description



*the property*



*local and regional maps*

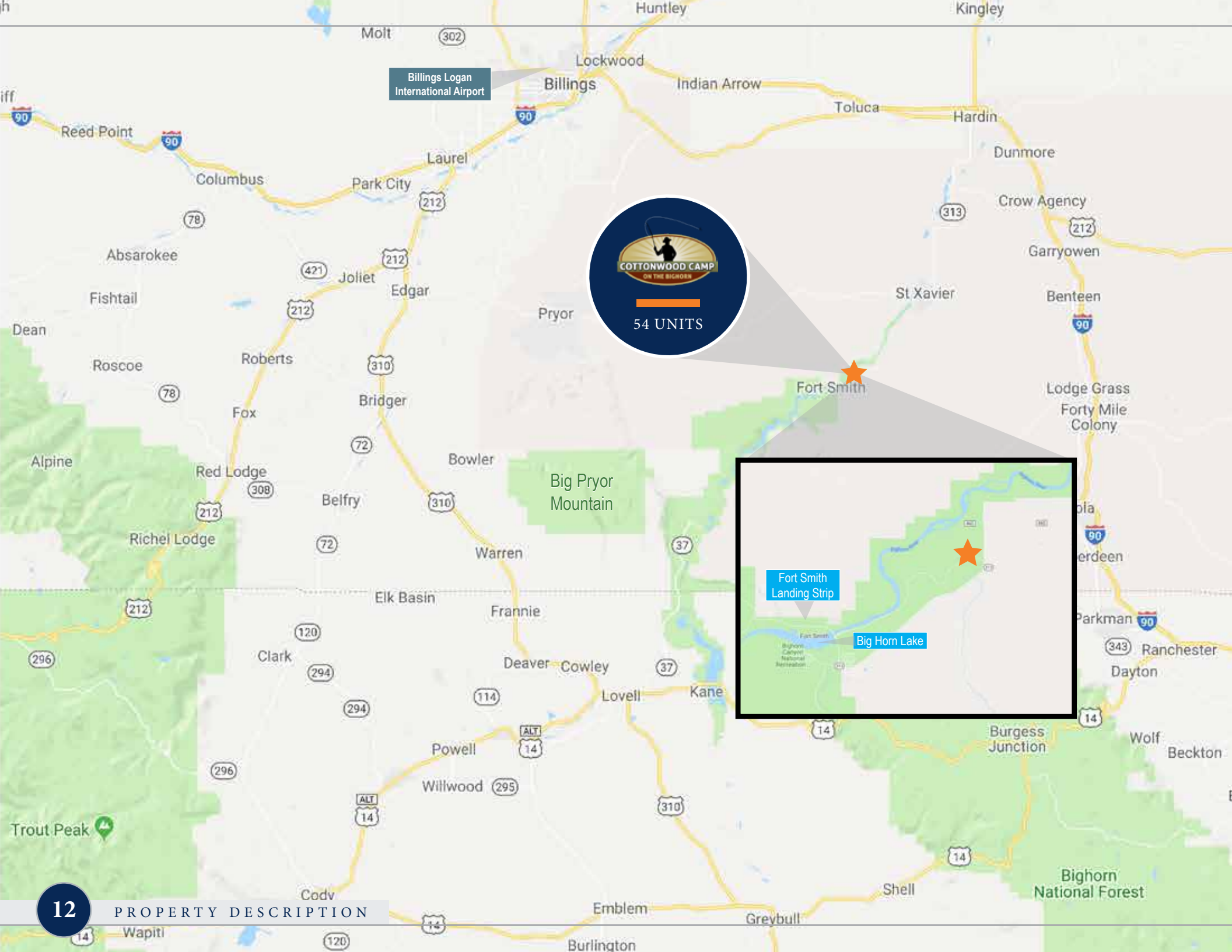


*site plan*



*amenities*

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Billings Logan International Airport



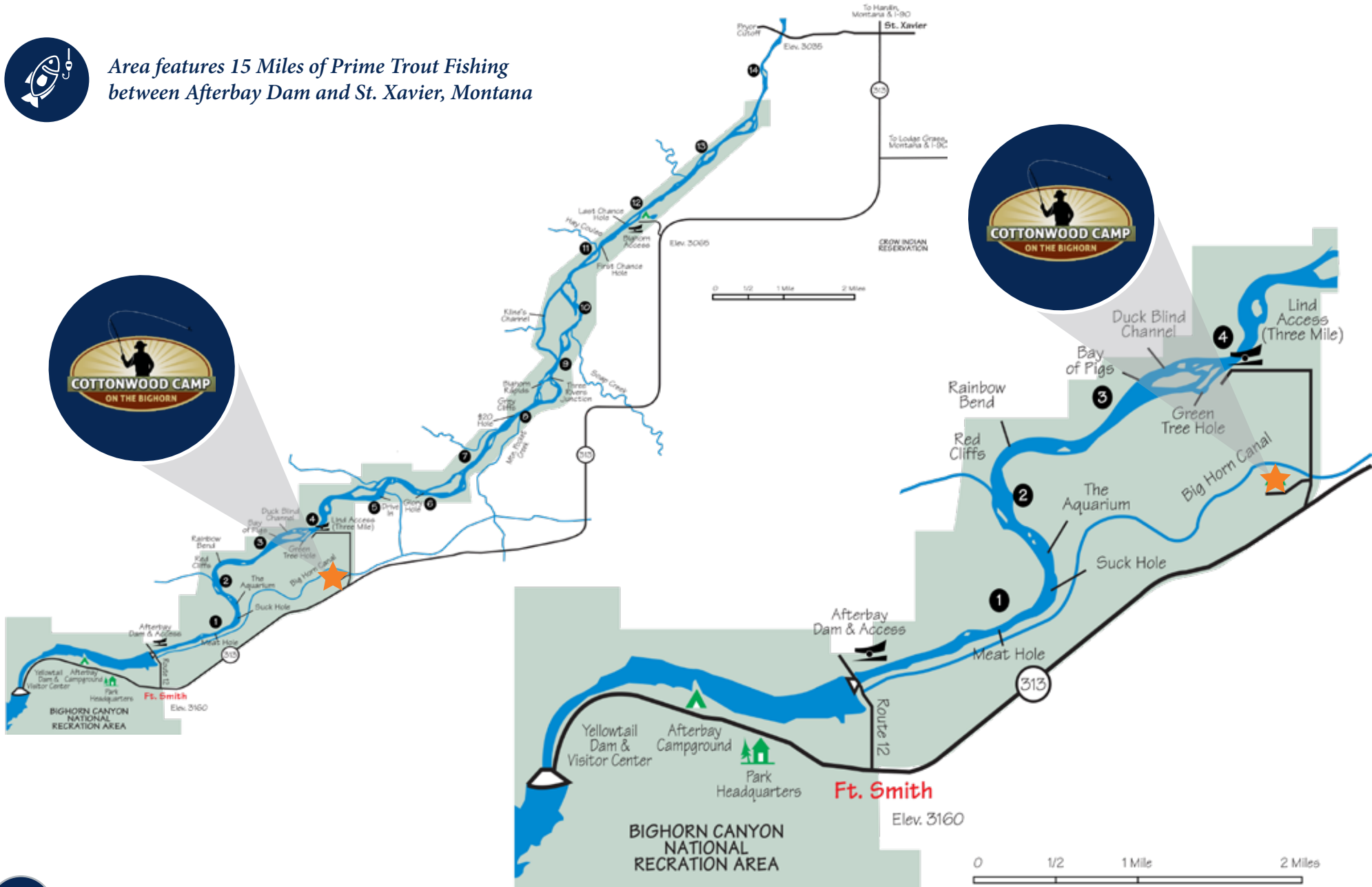




## LOCAL MAP // Cottonwood Camp



Area features 15 Miles of Prime Trout Fishing between Afterbay Dam and St. Xavier, Montana







Land owned by  
US Forest Service

APN 22-0458-02-4-04-01-0000

County Road 40A-Warman Loop



APN 22-0458-02-4-03-01-0000





## PROPERTY DESCRIPTION // *Cottonwood Camp*

Number of Spaces	54 Total / 14 Cabin / 20 RV / 20 Tent
Year Built / Renovated	1977
Number of Buildings	18
Total Square Footage of Buildings	± 12,521 SF
Guest Cabins	± 9,288 SF
Store / Office	± 378 SF
Laundry / Showers / Restrooms	± 1,380 SF
Maintenance / Storage	± 1,475 SF
Acreage	± 17.23 Acres
Zoning	Commercial - Big Horn County

### CURRENT RENT

SITE	# OF	STANDARD DAILY RENT	WEEKEND DAILY RENT	HIGH SEASON DAILY RENT
RV	20	\$34 - \$45	\$35 - \$46	\$36 - \$47
Cabin	14	\$78 - \$275	\$82 - \$284	\$84 - \$289
Tent	20	\$23	\$24	\$25

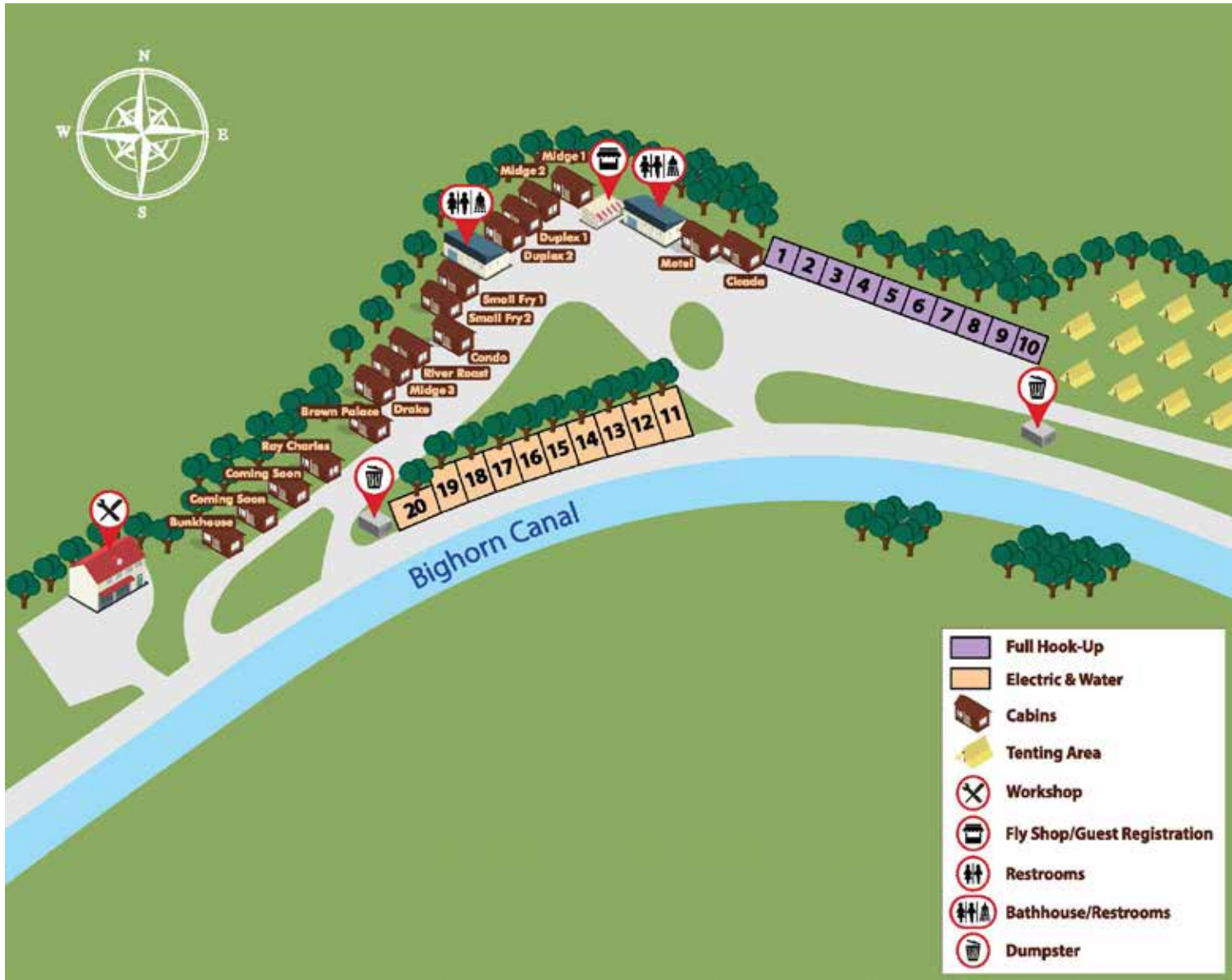
### UTILITIES

UTILITY	SERVICE PROVIDER
Water	Private Well
Sewer	New Septic System
Electric	Big Horn County Electric Cooperative
Waste	Republic Services Billings MT
Cable	Dish TV
Internet	Wisp West





# PARK MAP // *Cottonwood Camp*



## Park AMENITIES

-  *Fly Shop*
-  *Fly Fishing*
-  *Bighorn River Access*
-  *Boat Rentals*
-  *Restrooms*
-  *Laundry*
-  *Showers*
-  *Guest Kitchens*
-  *Fully-stocked log-sided cabins with sunrise/sunset decks*













*section 3*  
**Financial Analysis**



*property details*



*pricing details*



*rent roll summary*



*operating statement*

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## PROPERTY DETAILS // *Cottonwood Camp*

Offered Price	\$1,500,000
Debt	\$900,000
Equity Investment	\$600,000
Marcus & Millichap Year 1 Projected NOI	\$171,183
Annual Principal and Interest Payments	\$64,719
Estimated Pre Tax Cash Flow	\$106,464
Year One Cash on Cash Return	17.74%
Year One Cash on Cash with Principal Reduction	20.7%
DSCR - Year 1 (all loans)	2.64

### MARCUS & MILLICHAP CAPITAL CORPORATION FINANCING AVAILABLE

Loan Amount	\$900,000
Loan to Value	60%
Interest Rate	5.25%
Amortization	25 Years
Loan Term	5 Years
Lender	Regional Bank

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## FINANCIAL STATEMENT // *Cottonwood Camp*

MARCUS & MILLICHAP RECAST				
INCOME	2018		2019	PRO FORMA 2020
Cabin Rent	\$251,248	42.1%	\$207,183	\$227,901
RV Site Rent	\$32,688	5.5%	\$28,245	\$31,070
Tent Site Rent	\$13,886	2.3%	\$9,017	\$9,919
Monthly Rent	\$12,255	2.1%	\$-	\$-
Other Rental Income	\$19,580	3.3%	\$18,335	\$20,169
Total Rental Income	\$329,657	55.2%	\$262,780	\$289,058 *1
Other Income				
Boat Rental	\$45,990	7.7%	\$31,307	\$34,438
Shuttle Fees	\$29,320	4.9%	\$21,681	\$23,849
Guide Fees	\$64,250	10.8%	\$52,486	\$57,735
License Fees	\$48,861	8.2%	\$36,195	\$39,815
Fishing Supplies and Flys	\$49,376	8.3%	\$25,665	\$28,232
Store Sales	\$19,084	3.2%	\$12,863	\$14,149
Other Sales and Fees	\$10,681	1.8%	\$10,605	\$11,666
Total Other Income	\$267,562	44.8%	\$190,802	\$209,882
Total Income	\$597,219	100.0%	\$453,582	\$498,940
Cost Of Good Sold				
Guide Fees	\$55,065		\$46,245	\$49,074
Fishing Licenses	\$46,821		\$35,346	\$35,833
Flys and Fishing Supplies	\$38,131		\$18,709	\$20,580
Other store supplies	\$21,468		\$5,550	\$6,105
Total Cost of Goods Sold	\$161,485		\$105,850	\$111,592
Gross Profit	\$435,734		\$347,732	\$387,348 *1

1) Modest 10% increase in sales expected from increased marketing efforts

## FINANCIAL STATEMENT cont. // *Cottonwood Camp*

MARCUS & MILLICHAP RECAST						
EXPENSES	2018		2019		PRO FORMA 2020	
Advertising and Promotion	\$4,902		\$2,014		\$5,000	*2
Automobile Expenses	\$7,948		\$8,000		\$8,000	*3
Insurance - General Liability and Umbrella	\$17,725		\$18,620		\$18,500	
Property Taxes	\$6,701		\$6,700		\$6,800	
Office Expense and Supplies	\$2,366		\$2,037		\$2,500	
Pest Control	\$4,210		\$3,500		\$3,500	
Dues & Subscriptions & Fees	\$2,125		\$610		\$1,250	
Repairs & Maintenance & Supplies	\$14,446		\$13,944		\$10,000	*4
Utilities						
Trash	\$2,367		\$2,025		\$2,100	
Cable, Internet, Telephone	\$4,444		\$4,639		\$4,600	
Water Testing	\$165		\$165		\$165	
Electric & Gas	\$22,205		\$20,760		\$21,500	
Total	\$29,181		\$27,589		\$28,365	
Legal & Professional & recruiting	\$6,631		\$4,310		\$4,500	
Accounting , Reservation system and software	\$6,899		\$8,925		\$9,000	
Landscaping	\$4,882		\$5,715		\$5,750	
Payroll including Payroll taxes & Workers Comp	\$107,811	*6	\$92,421		\$73,000	*5
Manager	\$-		\$-		\$40,000	*7
Total Expenses	\$215,827	50%	\$194,385	56%	\$216,165	53%
NET OPERATING INCOME	\$219,907	50%	\$153,348	44%	\$171,183	47%

2) Advertising budget increased to include attending a trade show and increasing advertising

3) Auto expense reduced by \$6000 - owners charge all fuel and repairs of personal car and RV to business

4) R&M reduced to reflect only pure R&M expenses - owners have been charging CAPEX as R&M

5) Payroll reduced by \$20,000 to reflect reduction of one staff member with full time manager in place and reduction of workers comp by approx \$4 K a year

6) Workers Comp was abnormally high in 2018 due to catch up from 2017 and 2016

7) Manager at \$40,000





*section 6*  
**Area Overview**



*area attractions*



*location overview*

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## AREA ATTRACTIONS



*World-Class Fly Fishing*



*Boating*



*Kayaking*



*Hiking*



*Mountain Biking*



*Hunting*



*Gateway to Bighorn Canyon Recreational Area,  
Bighorn River, Bighorn Lake, Yellowtail Dam,  
and Black Canyon*



# THE BIGHORN RIVER

The Bighorn River is well-known throughout the world for the superb fly fishing it offers. The first thirteen miles—from Afterbay Access to Bighorn Access—have more trout per mile and a bigger average trout size than any other river in Montana. You probably have a better chance of catching a trout over 20 inches on the Bighorn than on any other river in Montana. Bighorn trout are extremely healthy because of the river's excellent food supply. They are wonderful fighters and very acrobatic. Dry fly fishing, nymphing, and fishing streamers can all be productive for much of the year. The Bighorn River is open and very fishable the entire year.

## FORT SMITH AND BIGHORN NATIONAL RECREATION AREA

Fort Smith is located in Big Horn County in the southeast region of Montana. The area is popular for outdoor lovers, history buffs, fossil finders and eager explorers. The scenic Big Horn, Pryor and Wolf Mountain ranges are part of the Big Horn County landscape. Fort Smith is home to Bighorn Lake, which extends approximately 60 miles through Wyoming and Montana, 55 miles of which are held within the spectacular Bighorn Canyon Recreation Area.

Bighorn Canyon Recreation Area is composed of over 120,000 acres, which straddles the northern Wyoming and southern Montana borders. Within the area is the Devil's Canyon Overlook providing breathtaking views and cliffs that tower 1,000 feet above the lake level. Bighorn Canyon National Recreation Area boasts breathtaking scenery, countless varieties of wildlife, and abundant recreational opportunities such as boating, fishing, hunting, magnificent vistas, wildlife watching, camping, biking and hiking. Visitors choose from over 17 miles of trails, ranging from short walks to dramatic overlooks, and boaters marvel at the awe inspiring views of the massive canyon walls. Travelers can find information about the area's attractions at the visitor center in Fort Smith.







# FLY FISHING

## ON THE BIGHORN RIVER

Consistently Ranked One of the Top Places in the Country for Fly Fishing

.....  
#1 *“The Best Places to Go Fly Fishing in the U.S.”* by Tailwind (2016)

#2 *“Best Places to Fly Fish”* by Travel and Leisure (2017)

#4 *“18 Best Trout Streams in the U.S. and Canada”* by Wide Open Spaces (2018)

#7 *“11 Best Fly Fishing Locations in the U.S.”* by SOutdoors (2018)

## IN MONTANA

74,770 anglers spend \$494 million annually while fishing in Montana.

.....  
The industry generates approximately \$919 million of economic output and creates over 6,400 jobs in the state.

.....  
Residents and visitors spend more than 3 million days fishing Montana’s rivers and lakes each year.

.....  
Montana is known as one of the best places in the world for fly fishing vacations.







# FISHING INDUSTRY

## *IN THE UNITED STATES*

49 million recreational anglers generate approximately \$50 billion in retail sales every year.

The industry has a \$125 billion economic impact on the country and generates 800,000 jobs.

Recreational fishing is the nation's second most popular outdoor activity (after jogging).

Anglers spend more on fishing gear and trips than Americans spend on Valentine's Day, Easter, and Halloween combined.

The number of anglers is nearly three times greater than the number of active downhill skiers and snowboarders.

More Americans fish than play golf and tennis combined.

Freshwater fishing participation has grown 11% since 2011 and makes up 84% of all fishing activity.





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