

For Sale

Land & Building



Commercial Lots

Conway, Arkansas 72032

Property Highlights

- LOCATED IN THE OPPORTUNITY ZONE
- Five commercial lots for sale
- Addresses (955 Plane Road, 1025 Plane Road, 1040 Jeanette Drive, 1020 Jeanette Drive)
- Newly developed area close to I-40
- 8,000 SF Warehouse building, with office in rear
- Crossover from Conway Commons Retail Center
- Perfect for hotel/retail/warehouse

Property Description

Five Lots for sale in Conway, Arkansas right off I-49. Great location in the heart of Conway. Close proximity to both Hendrix College and the University of Central Arkansas. A short drive across the interstate to the largest shopping center in Conway, as well as most of the major hotels in the area. To the south, the new Baptist Health regional hospital completed in 2017. Good visibility from the interstate, and easy access makes this site a prime spot for a retail, office, industrial or hotel development.

OFFERING SUMMARY

Sale Price	\$3,200,000
Lot Size	8 Acres

DEMOGRAPHICS

Stats	Population	Avg. HH Income
1 Mile	3,672	\$36,333
3 Miles	27,669	\$43,825
5 Miles	54,946	\$53,656

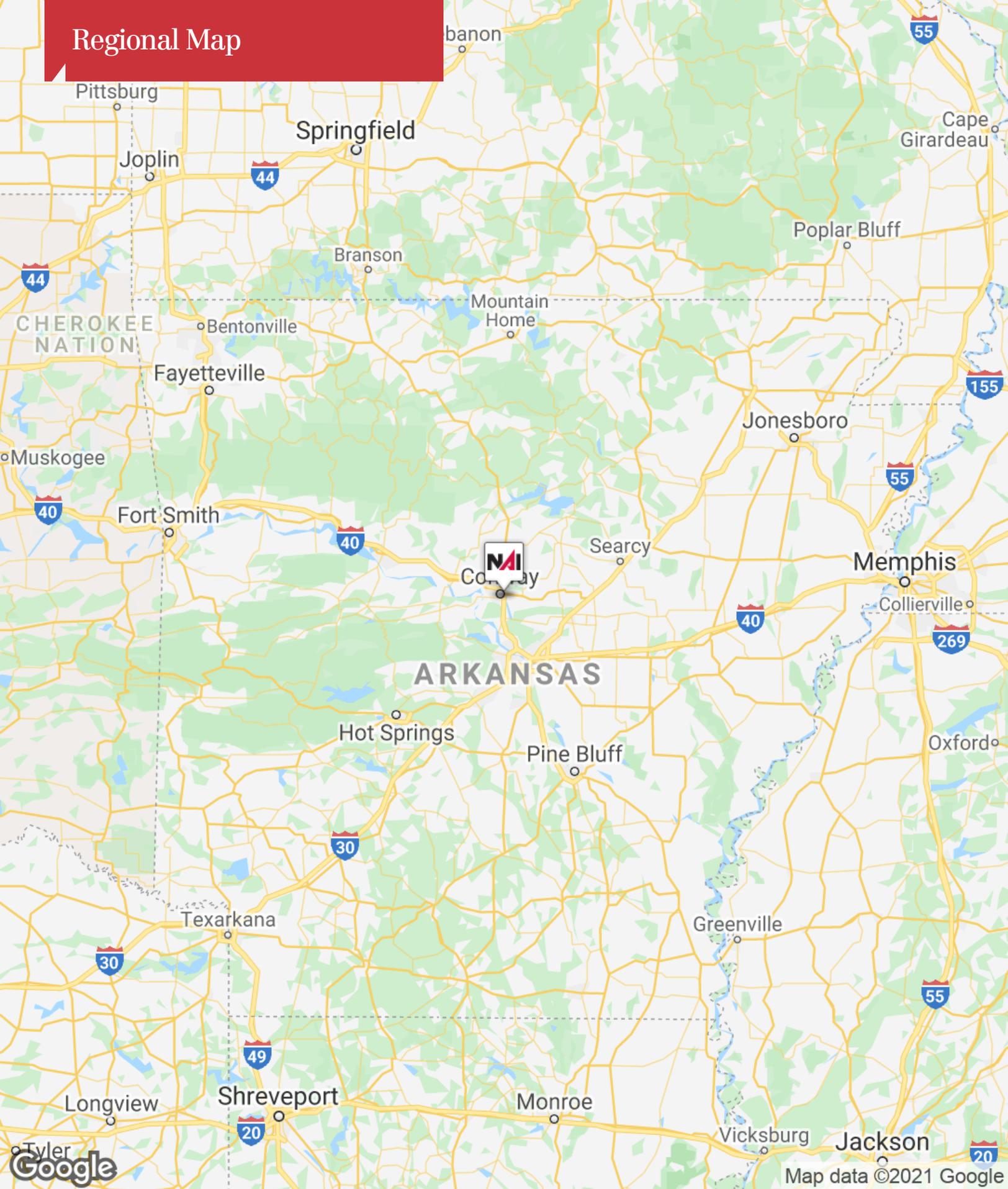
For more information

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Regional Map

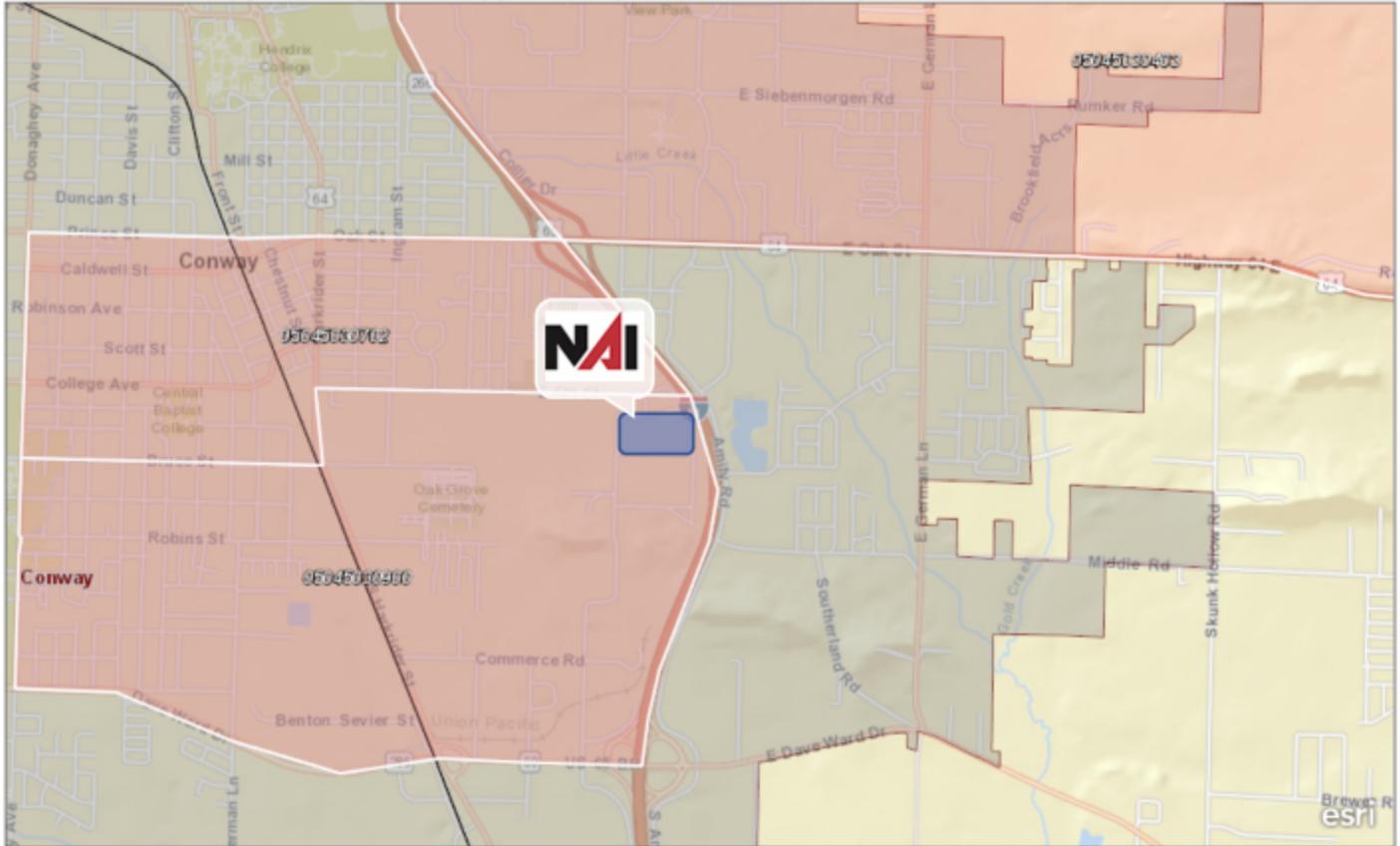


Additional Photos



OPPORTUNITY ZONE

2018 Arkansas Opportunity Zone (Approved by U.S. Treasury Department)



Arkansas Opportunity Zone Selection (2018.4.20 update)

0.4mi

Qualified Opportunity Funds / Zones / Businesses / Property

NOTE: Still pending official IRS guidance which will fill in some gaps and possibly alter the general interpretations of specific facets.

Terminology

- **Qualified Opportunity Zones (QOZ)** – Low-income census tract nominated by governors and approved by the Treasury Department. Mapping tool at <https://www.cdfifund.gov/Pages/Opportunity-Zones.aspx>
- **QO Zone Business Property (QOZBP)** – Tangible business property used in a trade or business if these three requirements are satisfied:
 1. Property acquired by QO Fund after 12/31/17 from an unrelated party;
 2. Original use of the property in the QO Zone a) commences with the QO Fund or b) is substantially (cost doubled) improved by QO fund in 30-month period;
 3. During substantially all of QO Fund’s holding period substantially all of the use of the property was in a QO Zone (movable personal property)
- **QO Zone Stock** – any stock in domestic corporation acquired after 12/31/17 if these three requirements are satisfied:
 1. Stock a) acquired by QO Fund after 12/31/17; b) at its original issue; c) solely in exchange for cash
 2. Corporation is or is being organized to be a QO Business;
 3. During substantially all of QO Fund’s holding period of stock, corporation qualified as QO Zone Business.
- **QO Zone Partnership Interest** – any capital or profits interest in domestic partnership acquired after 12/31/17 if these three requirements are satisfied:
 1. Interest a) acquired by QO Fund after 12/31/17; b) at its original issue; c) solely in exchange for cash
 2. Partnership is or is being organized to be a QO Business;
 3. During substantially all of QO Fund’s holding period of interest, partnership qualified as QO Zone Business.
- **QO Zone Business (QOZB)**– trade or business, if these four requirements are satisfied:
 1. Substantially all tangible property owned or leased is QO Zone Business Property;
 2. Greater than 50% of gross income is derived from active conduct of qualified business;
 3. Less than 5% of property held is nonqualified “financial” property;
 4. Not a “sin” business
- **QO Zone Property (QOZP)** - QO Zone Stock; QO Zone Partnership Interest; or QO Zone Business Property.
- **QO Fund (QOF)** – corporation or partnership organized after 12/31/17 for investing in QO Zone Property (holding at least 90% of its assets in such QOZP)

Using the illustration as a guide, some points to consider:

Step One: Investor Recognizes Capital Gain

- Short or long-term **capital gain** from sale of **any and all** property eligible for deferral
- Unclear as to whether amounts deferred will continue to retain their short or long character
- No ordinary income deferral (such as depreciation recapture on shorter life personal property)
- Property sold need not be located in or connected in any way with an Opportunity Zone
- Sale must be to unrelated party

Step Two: Investor invests Gain into QOF Within 180 Days

- **No qualified intermediary** needed
- **Only amount of gain needs to be reinvested**, not entire proceeds
- All gains of taxpayer within 180 days prior to investment can be aggregated into investment
- Investment in QOF not limited to gain rollovers; “new money” is allowed it just won’t get temporary basis adjustments as described below
- **Unlimited \$ may be rolled for deferral**
- New money and rollover money by same investor considered two distinct investments
- Rollover investment begins with zero tax basis
- Organizational documents of QOF should clearly state purpose to invest in QOZP.
- At this time, QOF should be organized as Limited Partnership or Corporation as unclear if LLC will be eligible
- QOF will be **self-certified**, no prior approval by IRS or other agency required.
- Fund subject to penalty for each month 90% test is failed
- QOF will be subject to securities regulations

Step Three: Fund Invests in QOZ Property

- Original use of property in zone must begin with QOF or be substantially (cost doubled) improved in 30-month period by QOF
- Awaiting guidance on ground-up investments (impossible to have original use of the dirt)
- QOF may acquire QOZP with seed money or loan proceeds prior to bringing on other investors
- Most all QOF’s will be single-asset entities as too hard to meet stringent asset tests with later contributions needed for investments
- Direct ownership of property or via an intermediate partnership (presumably this can be an LLC but not entirely clear) or corporation
- Cannot be investment in another QOF

Step Four: Investor Receives Basis Step Up in QOF Interest

- Increase of tax basis of 10% of original deferral upon 5th anniversary of QOF investment
- Increase of tax basis of 5% of original deferral upon 7th anniversary of QOF investment

Step Five: Investor Recognizes Any Remaining Gain on December 31, 2026 (Temporary Deferral)

- Original deferred gain must be recognized at earlier of:
 - Sale of QOF interest; or
 - December 31, 2026
- Note the finite timeline of temporary deferral aspect
 - Must invest in QOF by 12/31/19 to get full 15% exclusion from original gain
 - Must invest in QOF by 12/31/21 to get any exclusion from original gain

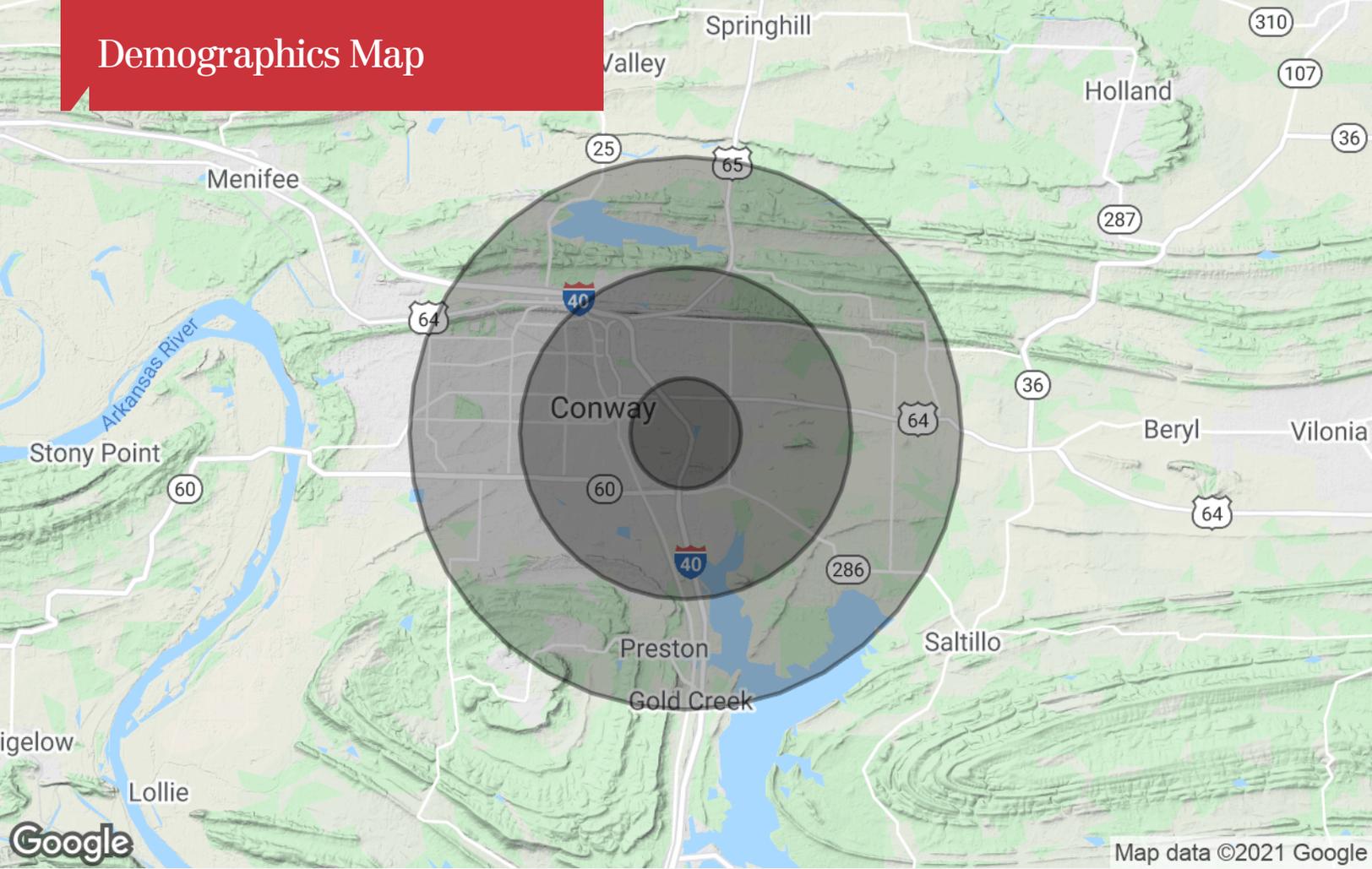
Step Six: After 10 Years, Investor Eliminates Gain by Selling QOF interest (Permanent Exclusion)

- After 10th anniversary of QOF investment, may elect to treat investment basis as equal to FMV (so no gain from sale of investment)
- By 10th year, the gain from the original deferral of property already recognized so permanent exclusion limited to QOZP investment
- Unclear if gain eliminated if QOF sells underlying assets
- QO Zones valid for 10 years so it appears that investment in QOF during the next 10 years will qualify in perpetuity (or at least lifetime of taxpayer) to exclude gains once 10 year holding period in QOF satisfied.
 - Want some clear guidance here

Opportunity Profiles

- Actively Managed Commercial Real Estate Development and Renovations
 - No Triple-Net arrangements eligible
- Opening New Business in opportunity Zone
- Expansion of Existing Business **into** Opportunity Zone
- Significant Expansion of Business Already **within** Opportunity Zone

Demographics Map



Population

	1 Mile	3 Miles	5 Miles
TOTAL POPULATION	3,672	27,669	54,946
MEDIAN AGE	27.1	27.0	28.5
MEDIAN AGE (MALE)	25.6	25.9	27.4
MEDIAN AGE (FEMALE)	27.7	27.7	29.5

Households & Income

	1 Mile	3 Miles	5 Miles
TOTAL HOUSEHOLDS	1,523	10,645	20,473
# OF PERSONS PER HH	2.4	2.6	2.7
AVERAGE HH INCOME	\$36,333	\$43,825	\$53,656
AVERAGE HOUSE VALUE	\$97,597	\$122,495	\$129,068

Race

	1 Mile	3 Miles	5 Miles
% WHITE	73.3%	76.7%	80.8%
% BLACK	24.9%	21.7%	16.9%
% ASIAN	1.5%	1.3%	1.6%
% HAWAIIAN	0.0%	0.0%	0.0%
% INDIAN	0.0%	0.1%	0.3%
% OTHER	0.3%	0.2%	0.4%

Ethnicity

	1 Mile	3 Miles	5 Miles
% HISPANIC	8.8%	6.3%	4.9%

* Demographic data derived from 2010 US Census



Randy L. Crossno, CCIM

Principal

Randy L. Crossno, CCIM is the Principal Broker, founder and Managing Member of Capstone Commercial Advisors, a regional commercial brokerage and asset management firm located in NW Arkansas. Randy is also the founder and Managing Member of Cross Capital Ventures, a real estate investment and development firm that specializes in retail, office, and mixed use projects across the United States.

Randy has a Bachelor of Science degree in Economics and Finance from the University of Tennessee. He holds the prestigious Certified Commercial Investment Member (CCIM) designation, is a member of the Retail Christian Network, and the International Council of Shopping Centers, and is also a graduate of Sam M. Walton's Institute of Retail.

Prior to starting Capstone, Randy worked as a broker with Grubb & Ellis Commercial Brokerage. He has spent over 20 years serving retailers like Wal-Mart Stores, Inc. and Bass Pro Shops to formulate and execute some of the largest and most intricate expansion and disposition strategies in the retail industry.

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NAICapstone

Capstone Commercial Advisors, LLC is a full service brokerage and asset management firm based in Northwest Arkansas. We help private investors, financial institutions, and real estate investment trusts (REIT's) with all their commercial real estate needs. We take pride in finding and executing both basic and unique solutions for our clients in an ever-changing economic environment.

Brokerage

Full service real estate representation and transactions

Corporate

Capstone has extensive experience in National corporate support, from single unit relocation to national strategic planning and multi-unit implementation. Let Capstone serve as your companies' outsourced real estate department.

Investment Services

Capstone's asset management team coordinates all aspects with in the life of a real estate investment. We treat your portfolio of real property investments as a whole, maximizing returns and managing debt and equity for the best outcome in a changing economic climate.

Management

Capstone's goal in property management is to protect the asset's value while maximizing property value and minimizing expenses. Our team will work with properties and clients preparing for long term hold or strategic disposition while protecting the financial well-being of the assets throughout the period of ownership.

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