COLDWELL BANKER COMMERCIAL

PRIME PROPERTIES

DEVELOPMENT PARCELS

FOR SALE

54 CR 311, Silt, CO 81652

PROPERTY DETAILS:

AC: **20 AC** or **4.5 AC** - Zoned Commercial

PRICE: **$1,950,000 (20 AC) - $900,000 (4.5 AC)**

FEATURES: - I-70 Visibility and Easy Access

- Multi-Family Or Commercial Use

AREA DESCRIPTION: This area is fast developing into more Commercial Buildings for Business and Multi-Family dwellings to accommodate the I-70 Corridor overflow from the Rifle and Glenwood Springs, CO cities.

OPPORTUNITY ZONE INFO PAGES 7-11

PROPERTY OVERVIEW

Commercial or Multi-Family Development Opportunity south of, and visible from, Interstate 70 at exit #97, on the south side of the Frontage Road at Silt, CO. Located just east of 16th Street (CR 311), and just west of the new BLM Building. Riverside frontage on the southern side of this property.

FOR MORE DETAILS CONTACT:

All information herein is from sources deemed reliable, however, broker makes no warranties, express or implied as to the accuracy of the information or to the suitability of this property for the investor.

Mike Foster, CCIM|mfoster@cbcwest.com
Coldwell Banker Commercial Prime Properties

Cell 970-433-8374
Direct 970-244-6602

131 N. 6th St., Suite 300
Grand Junction, CO 81501

CBCWorldwide.com

Cbcwest.com

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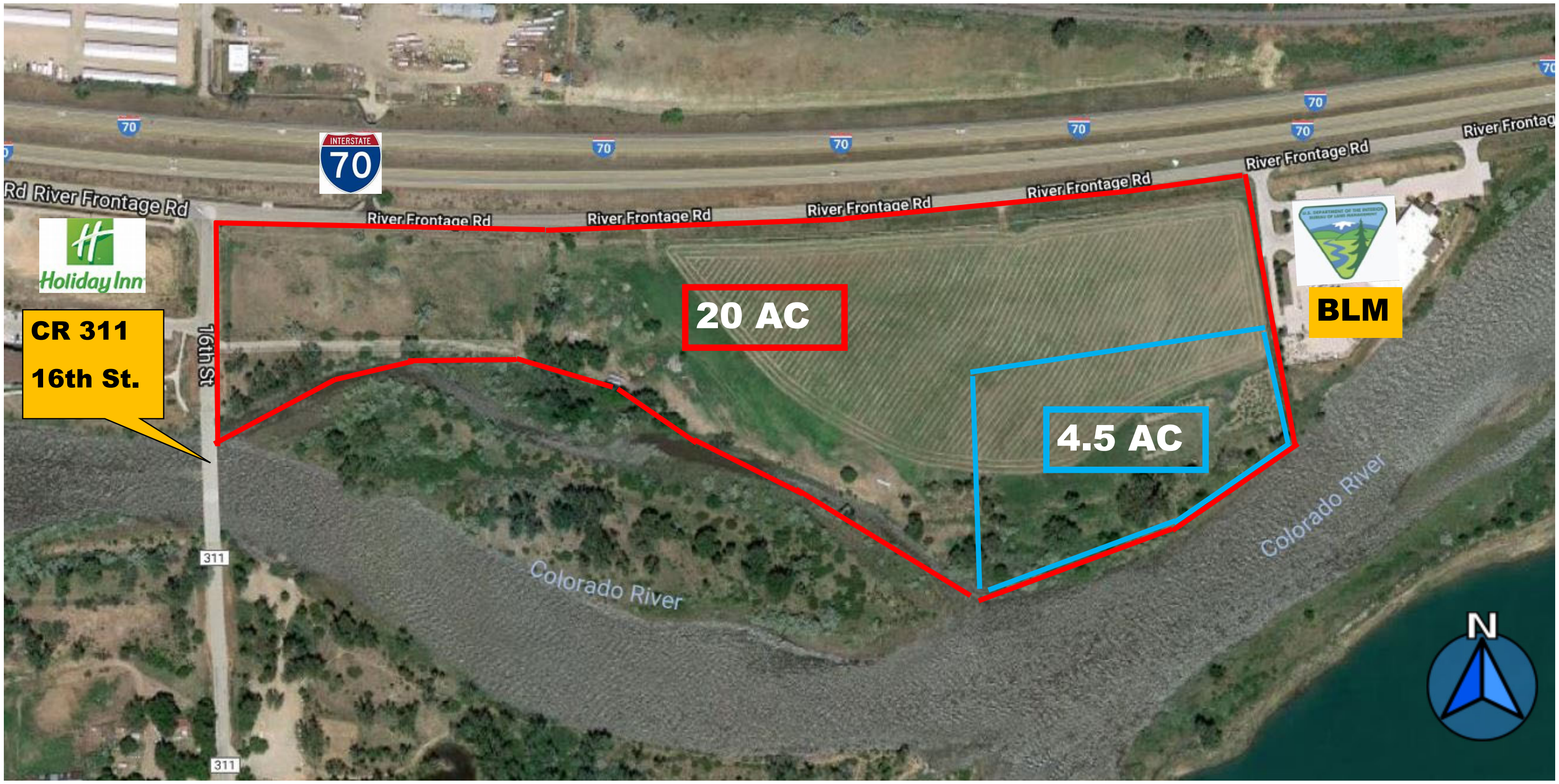

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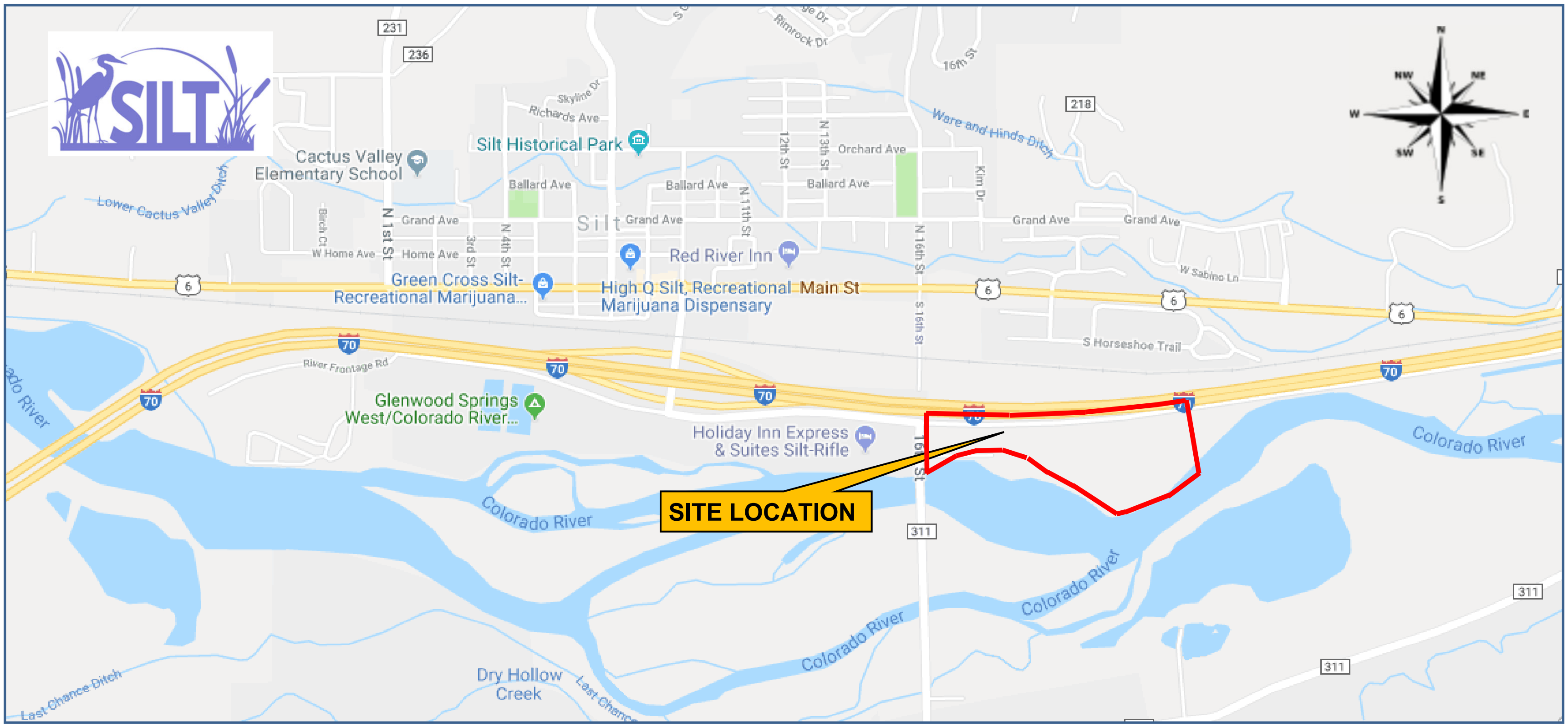

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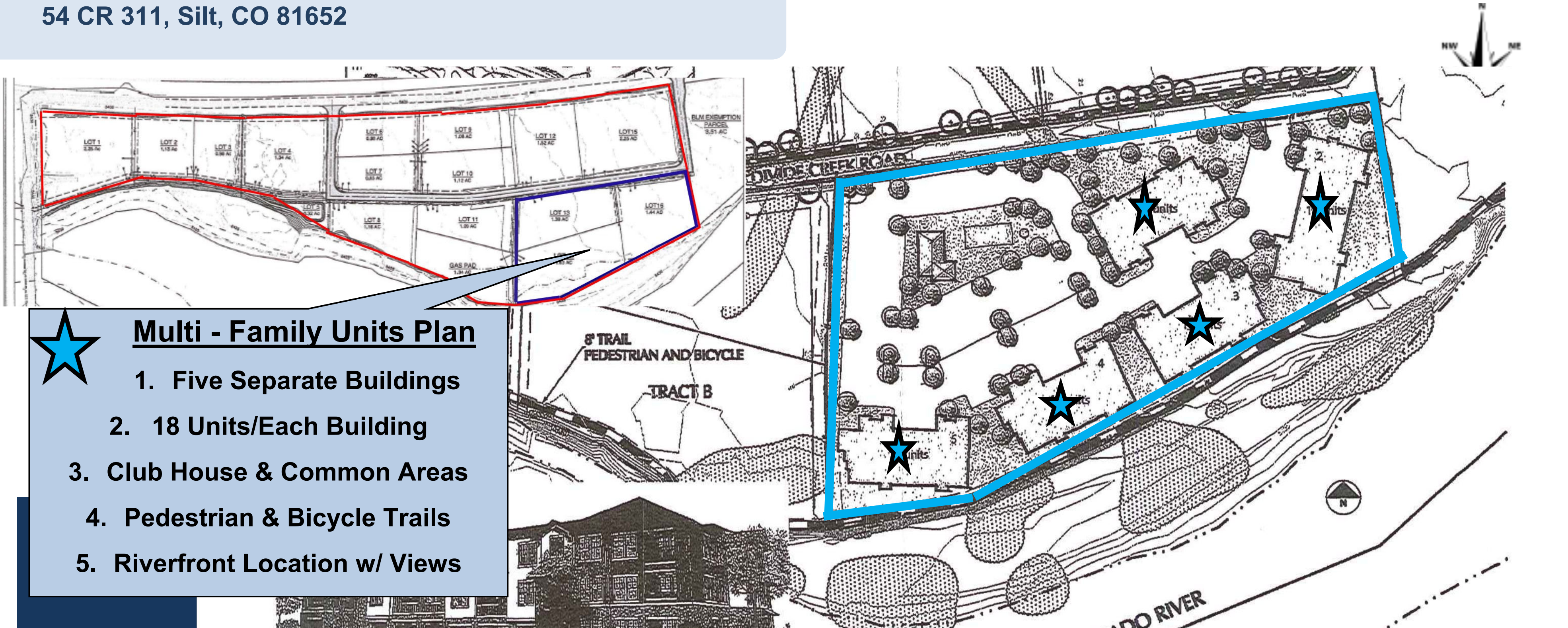

Multi - Family Units Plan

1. Five Separate Buildings
2. 18 Units/Each Building
3. Club House & Common Areas
4. Pedestrian & Bicycle Trails
5. Riverfront Location w/ Views

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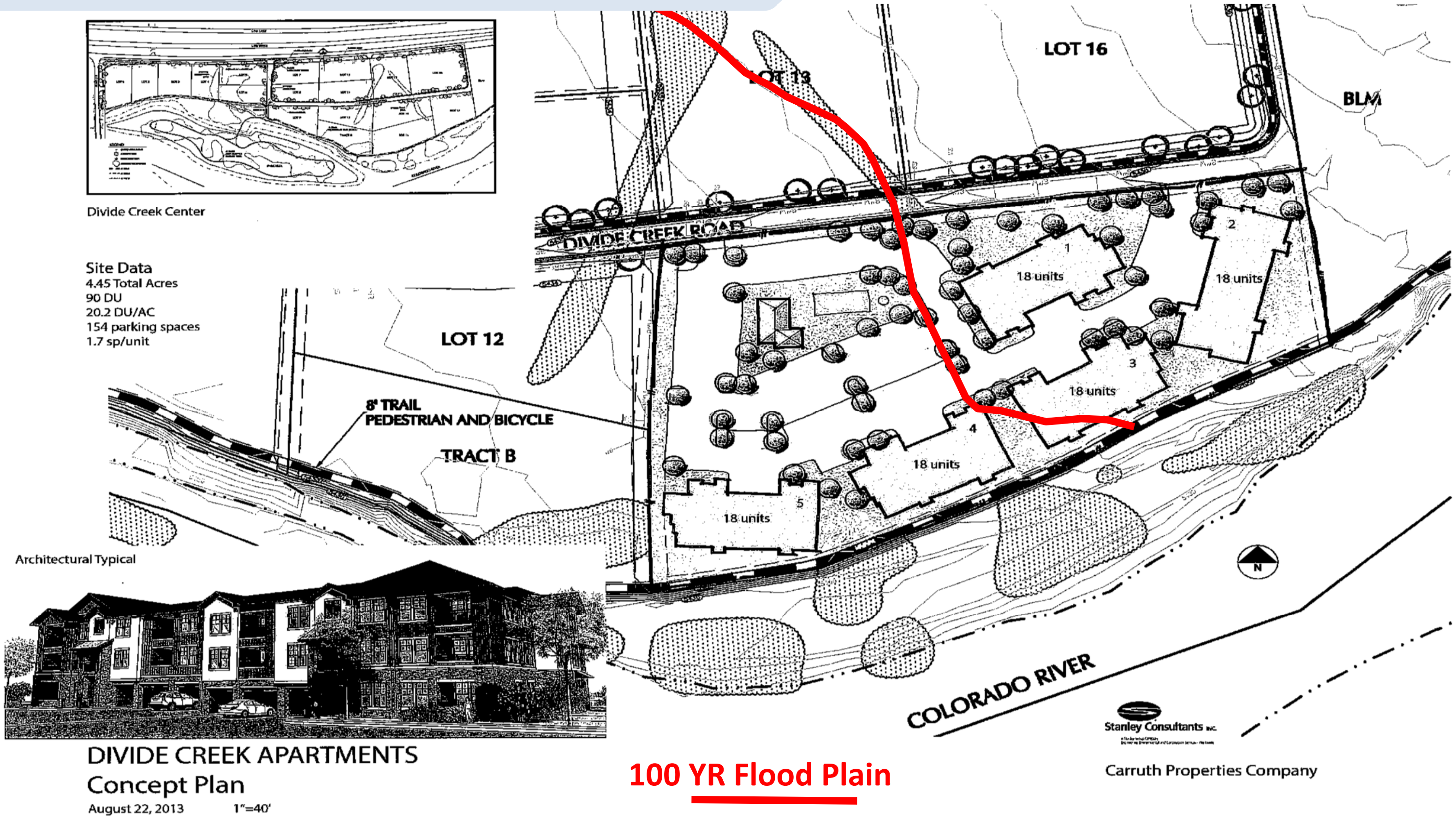

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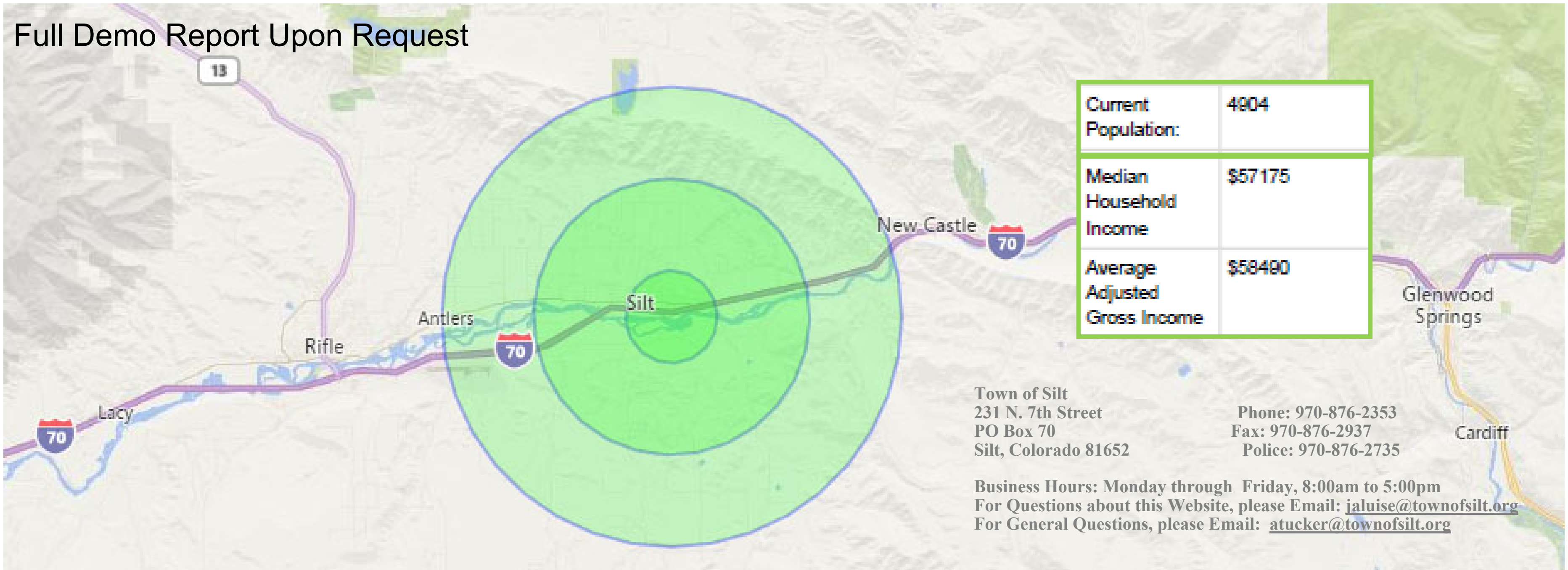

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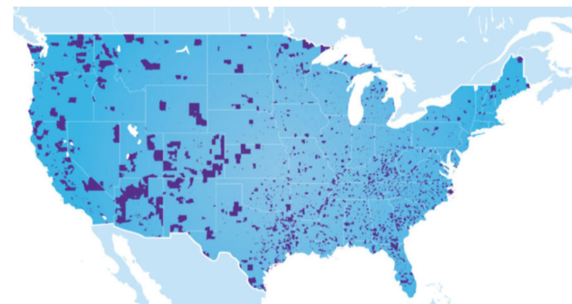

Opportunity Zones

As part of the tax cuts passed last year under the Tax Cuts and Jobs Act, the government created so-called Opportunity Zones to encourage investors to put money into lower-income or economically distressed areas. In theory, the zones will increase economic development and job creation in these communities. To qualify to be an Opportunity Zone (OZ), a locality must have been nominated by the state and approved by the Secretary of the Treasury. Median incomes in the area cannot exceed 80% of Area Median Income (AMI) and 20% of the households in the designated tract must be below the poverty line. There are 8,700 designated opportunity zones across the fifty states: 306 in New York City, 274 in Los Angeles County, and 181 in Chicago.

To encourage investment, Opportunity Zones (OZ) provide tax incentives to investors. Particularly, tax on any capital gains (ordinary gains are not eligible) can be deferred if they are reinvested into an Opportunity Zone within 180 days after the date of the sale giving rise to the gains. Investors can allocate funds to Opportunity Zones via Qualified Opportunity Funds (QOFs). A QOF is an investment vehicle set up specifically to invest in eligible properties in Opportunity Zones.

Once the money has been reinvested in a QOF, the tax benefits to the investor depend on how long the investment is held. After holding the investment for five years, 10% of the tax on the deferred gain is excluded. After holding for seven years, this jumps to 15%. The deferred taxes will not be due until the interest in the QOF is sold or on December 31, 2026 (whichever comes sooner). In theory, the fair market value of the QOF investment will be higher than the deferred tax due at this time. Finally, if the investor keeps the funds in the QOF for ten years or more, then they would not owe any tax at all related to the appreciation of their QOF investment. The table on the next page outlines these rules.

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Year 1	Year 5	Year 7	Year 8	Year 10
Property (e.g. stock) is sold for a gain and reinvested into a QOF	10% exclusion of deferred gain	15% exclusion of deferred gain	Tax on deferred gain is due 12/31/2026	Taxpayer would not owe any tax on the QOF investment, if sold

Broadly speaking, a QOF is required to keep 90 percent of their assets in a qualified opportunity zone property. In addition, IRS guidelines maintain that at least 70 percent of the tangible business property owned or leased by a trade or business must be a qualified opportunity zone property. Investors are permitted to keep their investments in funds through 2047, even if the underlying opportunity zone loses its designation over time.

Because of the generous tax incentives given by Opportunity Zones, there has been a high level of interest from developers and the policy could have a material impact on new property development. Certain property types, including golf courses, racetracks, gaming facilities, and establishments selling alcohol for off-premise use, however, do not qualify for special treatment. On the other hand, investments do not have to be made exclusively in new properties; funds can invest in existing properties if they make substantial improvements to the property in an amount at least equal to the property's acquisition cost.

POLICY IMPLICATIONS

The Opportunity Zones program could potentially benefit thirty-five million people living in places designated as Opportunity Zones, representing roughly 10.5% of the American population. Still, it is difficult to measure the welfare effect and success of place-based policies. Determining the effectiveness of such policies is difficult in that there is little way to tell if an area would have improved on its own without government-funded incentives. Furthermore, these policies tend to have multiple forces at work – it is

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Some studies of place-based policies have suggested positive welfare effects for targeted neighborhoods, and specific industries. The Empowerment Zones (EZ) program, created by Congress in 1994, constituted one of the largest federal interventions in economically distressed urban communities. The program offered both grants and tax breaks to employers in areas with high poverty and unemployment rates. Recent evidence suggests that the program substantially improved local labor and housing market conditions in EZ designated neighborhoods. The impact of the EZ program was also evenly distributed across incomes, in that the positive externalities associated with the program did not disproportionately favor any particular group.

Other studies have shown mixed results. France's Enterprise Zone program granted wage-tax exemptions to firms hiring a minimum of 20% of their employees locally. This program provided a significant incentive to employers as wage taxes account for nearly a third of French labor costs. Studies show that targeted areas saw a modest increase in job-finding rates; this increase was only significant in the short-run and, as such, cost-ineffective.

These programs, however, differ from the Opportunity Zone program in that they are labor demand-centric policies. Outside of the restricted property types, the Opportunity Zone program comes with very few restrictions and no approval process. Some opponents of the program fear that investors will receive tax breaks for investments they would have made otherwise, while others claim the OZ program is state-sponsored gentrification. The broadest comparison of this place-based policy would be the experience of various countries or local governments with special economic zones: unwilling or unready to implement broad liberalization platforms, a country or state (like China in the late 1970s, for example) can carve out part of its territory (usually coastal areas that already have infrastructure for trade) and allow firms to enjoy benefits like no (or lower) taxes, tariff-free exports, or preferential access to local markets and sources of supply. A comprehensive survey[1] by the World Bank suggests that it is challenging to assess the true welfare effects of such policies, given that state sponsors tend to use inappropriate measures of return on investment (development sites often claim 'jobs created' as a benefit, but labor is an input to the production process; what counts is measurable increases in output or productivity as a

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OPPORTUNITY ZONES & TAXES

WHAT YOU NEED TO KNOW

OVERVIEW

The Opportunity Zone (OZ) program was created to revitalize an economically-distressed community where new private investment, under certain conditions, may be eligible for preferential tax treatment. Simply put, OZs are an economic development tool designed to spur economic development and job creation in distressed communities.

OZs were added to the tax code by the Tax Cuts and Jobs Act on December 22, 2017. The OZs are created through the process of nomination and designation. To qualify as OZs, localities must be nominated by the state and that nomination must be certified by the Secretary of the U.S. Treasury via his delegation of authority to the Internal Revenue Service.

The first set of OZs, covering parts of 18 states, were designated on April 9, 2018. There are more than 8700 OZs covering parts of all 50 states, the District of Columbia, and five U.S. territories.

HOW OPPORTUNITY ZONES ARE DESIGNATED

The criteria within a state that can be designated as qualified opportunity zones are as follows:

1. In a state, a total of 25 census tracts may be designated as OZ provided the number of low income communities (LIC) is less than 100

2. If the number of LIC's is more than 100, then the maximum census tracts which can be designated as OZs would be equal to 25% of total number of LIC's

3. Not more than 5% of the census tracts designated as qualified OZs in a state can be non LIC tracts.

25%

of census tracts in a state that can be designated as opportunity zones

20%

census tract must have at least a 20% poverty rate

80%

median income must not exceed 80% of metro or state level

10 YEARS

OZ designation remains in effect for 10 years

Source: CBC Research, Congressional Research Service, HM

QUALIFIED OPPORTUNITY FUND

A Qualified Opportunity Fund (QOF) is an investment vehicle set up as either a partnership or corporation for investing in eligible property located in a Qualified Opportunity Zone.

90%

QOF should hold at least 90% of its assets in a qualified OZ property.

Stock or Partnership

QOF property can be a stock or partnership business located within an OZ.

12/31/17

QOZ property should be acquired after 12/31/17.

Source: CBC Research, IRS, Congressional Research Service

HOW QUALIFIED OPPORTUNITY FUNDS WORK

1. Investors should reinvest capital gains from the sale of an asset within 180 days into a Qualified Opportunity Fund

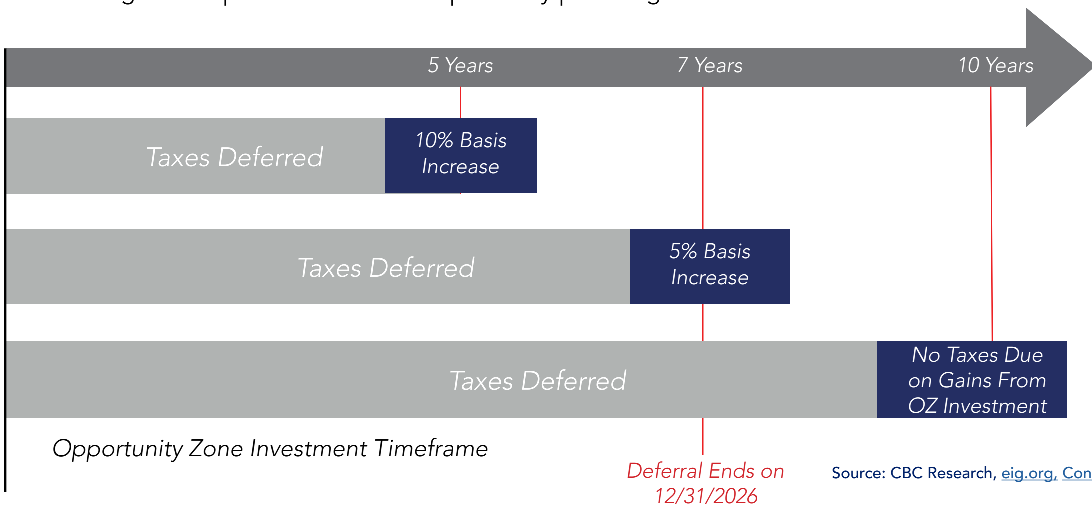
2.The fund then invests in a qualified Opportunity Zone (OZ) property

3.Within the OZ, they can be invested in real estate, business, or infrastructure projects

4. Geographically restricted but inclusive of various kinds of investment

BENEFITS TO INVESTORS

Opportunity Zones are designed to spur economic development by providing tax benefits to investors.



Source: CBC Research, eig.org, Congressional Research Service

• Capital gains reinvested in a QOF will receive a temporary tax deferral. This deferral will be recognized on the date when the investment is sold or on December 31, 2026, whichever is earlier.

• The basis of the original investment goes up by 10 percent if the investment is held for at least five years and by extra 5%, if it's held for at least seven years. In other words, If the investor holds the investment in OZ for 7 years, as much as 15 percent of the original gain would avoid taxation.

• If an investment in a QOF is held for at least 10 years, there will be no tax on the profits produced by the sale of investment.

ECONOMIC BENEFITS