



UNION STATION

Offering Memorandum by Pixel Properties Realty

1400 W Markham Street Little Rock, Arkansas 72201

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UNION STATION – OFFERING MEMORANDUM DISCLAIMER

Pixel Properties Realty hereby advises all prospective purchasers of Little Rock Union Station as follows:

The information contained in this Marketing Brochure has been obtained from sources we believed to be reliable. However, Broker has not and will not verify any of this information, nor has Broker conducted any investigation regarding these matters. Broker makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of the property found in this Offering Memorandum, it is the Buyers responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Offering Memorandum is not a substitute for Buyers thorough due diligence investigation of this investment opportunity. Broker expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in the Offering Memorandum or subsequent documents sent to Buyer are projections only and do not represent the current or future performance of this property. The value of the property to Buyer depends on factors that should be evaluated by Buyer and Buyers tax, financial and legal advisors.

Buyer and Buyers tax, financial, legal and construction advisors should conduct a careful, independent investigation of property to determine Buyers satisfaction with the suitability of the property for Buyers needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenants. While the tenants' past performance at this or other locations is an important consideration, it is not a guarantee of future success. Returns are not guaranteed; the tenant and any lease guarantors may fail to pay a lease rent or may fail to comply with other material terms of a lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any lease, including the likelihood of locating replacement tenants if the existing tenants should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenants considering the location of the property and Buyer's legal ability to make alternate use of the property.

By accepting this Offering Memorandum Buyer agree to release Broker and hold it harmless from any kind of claim, cost, expense or liability arising out of Buyer's investigations and/or purchase of the property found in this Offering Memorandum.

OFFERING SUMMARY

Address	1400 West Markham Street Little Rock, AR 72201
Points of Interest	0.2 mi - State Capitol 0.7 mi - I-630 1.3 mi - President Bill Clinton Library 2.4 mi - Medical Corridor 5.6 mi - Clinton National Airport
Site Size	5.48 Acres
Building Size	96,841 Square Feet
Parking Spaces	221
Price	\$7,350,000
Cap Rate	7.65%
Occupancy	90%
NOI	\$561,877
Price / RSF	\$75.84





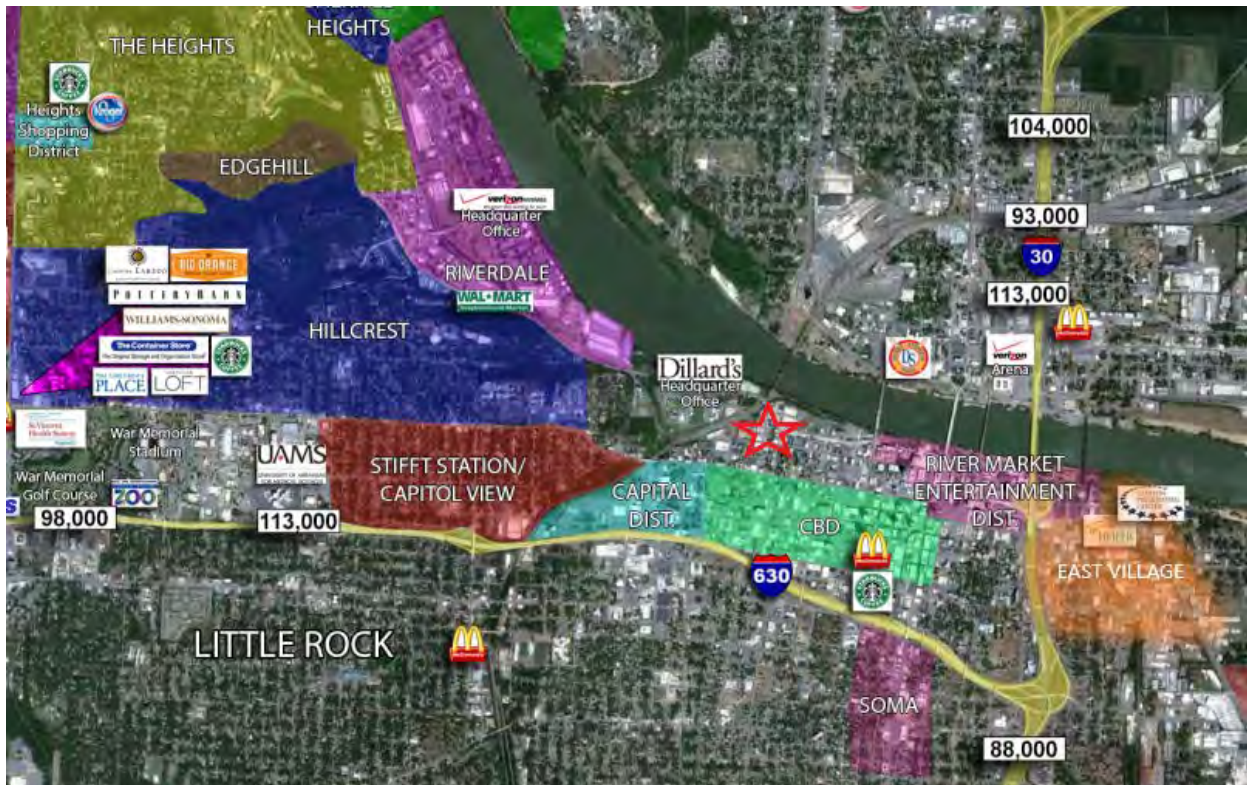
LITTLE ROCK – OVERVIEW

Little Rock is the capital and the most populous city in Arkansas and is also the county seat of Pulaski County. The city's population was 193,524 at the 2010 census. The six county Little Rock-North Little Rock-Conway, AR Metropolitan Statistical Area (MSA) is ranked 75th in terms of population in the United States with 724,385 residents according to the 2013 estimate by the United States Census Bureau.

The city is a cultural, economic, government and transportation center within Arkansas and the South. Several cultural institutions are in Little Rock, such as the Arkansas Arts Center, the Arkansas Repertory Theatre, and the Arkansas Symphony Orchestra, in addition to the hiking, boating, and other outdoor recreational opportunities. Little Rock's history is available through history museums, historic districts or neighborhoods like the Quapaw Quarter, and historic sites such as Little Rock Central High School.

Little Rock is home to the headquarters of Dillard's, Windstream Communications, Acxiom, Stephens Inc., Baptist Health System, University of Arkansas for Medical Sciences, Heifer International, the Clinton Foundation, and the Rose Law Firm. Other large corporations, such as Dassault Falcon Jet and LM Wind Power have large operations in the city. State government is a large employer, with many offices being in downtown Little Rock. Two Interstate highways, Interstate 30 and Interstate 40, meet in Little Rock, with the Port of Little Rock serving as a shipping hub.

PROPERTY AREA DESCRIPTION



River Market — West of I-30 on the banks of the Arkansas River, includes eateries, pubs, local shops, and hosts live music and entertainment year-round.

Creative Corridor — on Main street North of I-630, this area is home to Little Rock's Tech Park, FIS Venture Center (innovative small business incubator program), breweries, eateries and cultural theatrical centers.

Soma — Main Street south of I-630, local eateries, small businesses, and innovative residential developments with much more to come!

East Village — East of I-30 running parallel to the interstate, some of Little Rock's newest developments include breweries, restaurants, and repurposed industrial buildings that provide an environment which is attracting the city's young professionals.

Upcoming — There has been speculation of a new Arts District forming around Union Station. Nearby businesses and residential owners are proposing to call this area the **West End Arts District**. The goal of this new district is to repurpose existing infrastructure with new mixed-use developments.

UNION STATION – LOCATION AERIAL



UNION STATION – BUILDING AERIAL



PROPERTY INFORMATION SUMMARY

Site

Property is situated on 5.4 Acres of land and is accompanied by 221 parking spaces. Parking ratio 2.3 per 1,000 Square Feet.

Zoning

Capital Zoning District – Zone C “Union Station Mixed Use” The city intends for zone c to contain a broad mix of residential, office and commercial uses.

Improvements

The Union Station is a four-story office building containing 96,841 SF of general office space.

Roofing System

Portions of the roof were replaced in 2010 and 2018 using a fully-adhered, 60 Mil TPO system with the addition of polyiso insulation. Upon request, an aerial map showing exact locations of replaced roof will be sent.

Utilities

Electricity, Telephone, Natural Gas, Sanitary Sewer and public water are supplied by local utility systems. Fiber is offered; Providers include Comcast, AT&T and Hyperlink.

Vertical Transportation

Vertical Transportation available and serviced by Schindler Elevator Corp. New ASME compliant telephone system installed in 2018.

ADA Accessibility

Owner made substantial ADA related improvements to provide van accessible parking, wheel chair ramp on south side of building, and directional signage for main entrance. Currently, building meets ADA Code.

Heating & Cooling Equipment

Heating — Closed loop water source heat pump system; 51 water source heat pumps located throughout building.

Cooling — One 20 ton Trane Package Unit located on ground floor, Five – 4 ton Goodman Package Units located on ground Floor, & One 3.5 ton Bryant Package Unit located on ground floor.

Life Safety System

On Site security guard 5 days a week from 3:00pm to 7:00pm. Alarm System. Smoke Detectors. Sprinkled.

Building Amenities

3,500 SF conference center available to all tenants in the building, Abundant free surface area parking, Attractive common areas.

HISTORICAL SIGNIFICANCE

Little Rock Union Station, the third depot to stand on the site, opened to the public in 1921. The first depot was built by the Cairo & Fulton Railroad in 1872-73. Twenty years earlier, in 1853, the state legislature had approved a charter for the company to build a line across Arkansas from northeast to southwest, but construction was delayed by financing troubles and the Civil War. The wood frame Cairo & Fulton depot included waiting rooms, ticket office, dining rooms and other passenger areas on the ground floor, while the second later housed hotel space.

In 1906, the St. Louis, Iron Mountain & Southern Railroad, which had been formed from the 1874 merger of the Cairo & Fulton and the St. Louis & Iron Mountain railroads, demolished the first depot in favor of a larger structure with a strong concrete foundation. St. Louis-based architect Theodore C. Link designed the new brick station, which cost approximately \$750,000 and incorporated fashionable Renaissance Revival and Gothic Revival styling including a soaring clock tower and entrance loggia.

Only thirteen years after its completion, the second depot caught fire and was largely destroyed, although some of the exterior walls and the clock tower remained standing. The Missouri Pacific Railroad (MoPac), which had subsumed the St. Louis, Iron Mountain & Southern, vowed to rebuild. Intended to accommodate all three major railroads serving the state capital, including the MoPac, Cotton Belt and Rock Island, the building became known as “Union Station” – but in the end it was only used by the MoPac. Architect E.M. Tucker of St. Louis designed the new and current station for \$1.25 million. It incorporates elements of its predecessor, in particular the clock tower and loggia. The basement originally contained baggage, express and freight rooms while the main floor featured the lobby, segregated waiting rooms for white and African-American travelers, ticket windows and dining facilities. Upper stories contained railroad offices.

When Amtrak began operations on May 1, 1971, the nation’s new intercity passenger rail operator did not serve Little Rock. It was not until spring 1974, when the Inter-American was extended northward from Fort Worth, Texas, to St. Louis, that the city regained regular passenger rail service. At that time, the MoPac sold the building, and it passed through many hands until 1991, when it was purchased

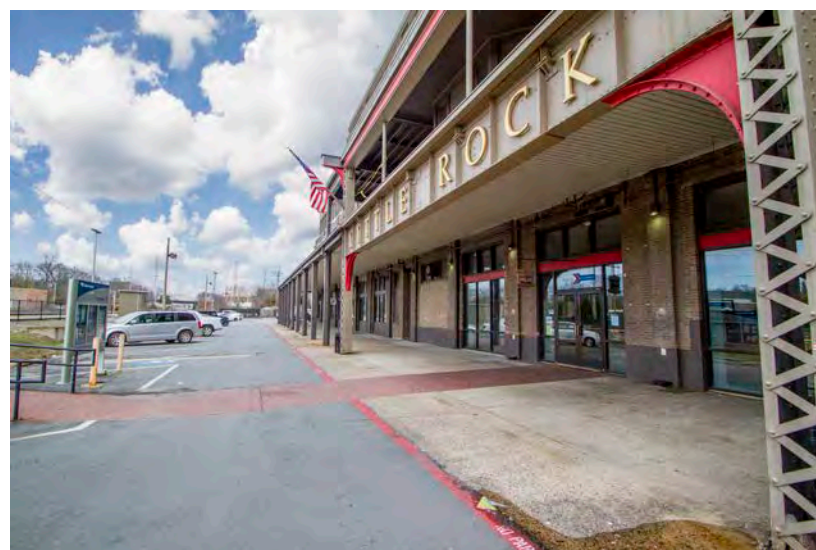
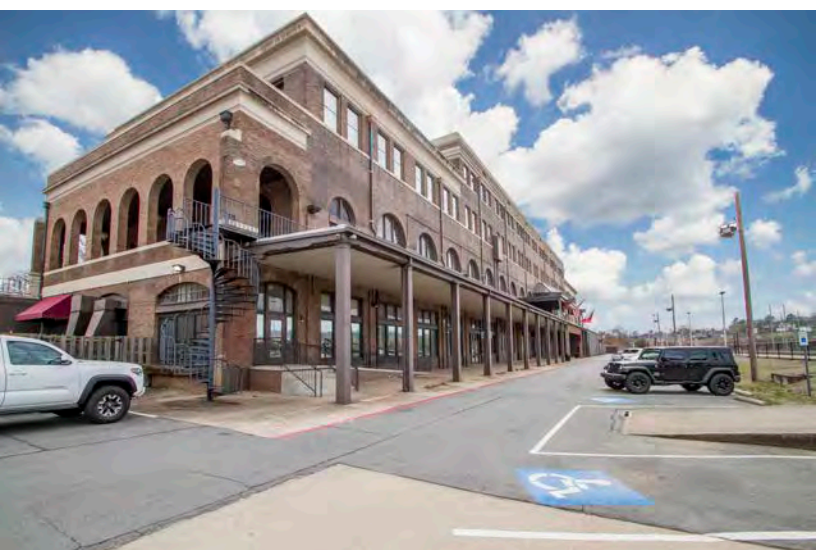
by Arkansas native John Bailey and Patricia Bailey. Previous investors had seen their dreams of the station as an entertainment-office-retail complex end unsuccessfully, and the building was in need of extensive renovations including new mechanical and electrical systems and a roof. When it rained, the leaky roof allowed water and debris into the upper levels; the walls were mildewed; and the floors were rotting. This, however, did not deter Bailey from his aspiration of restoring Union Station to its former glory.

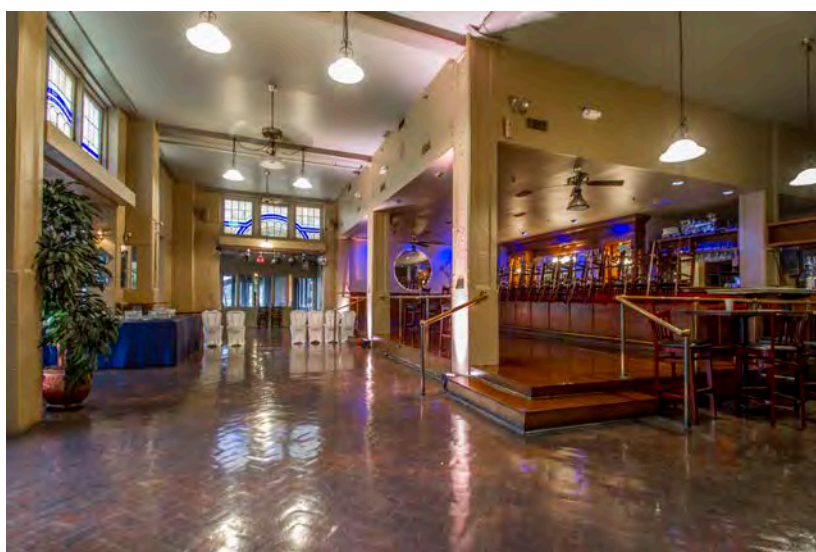
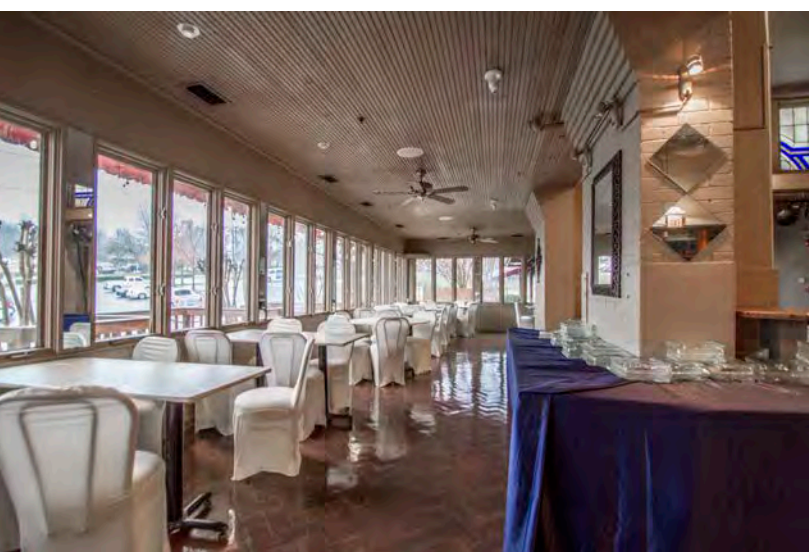
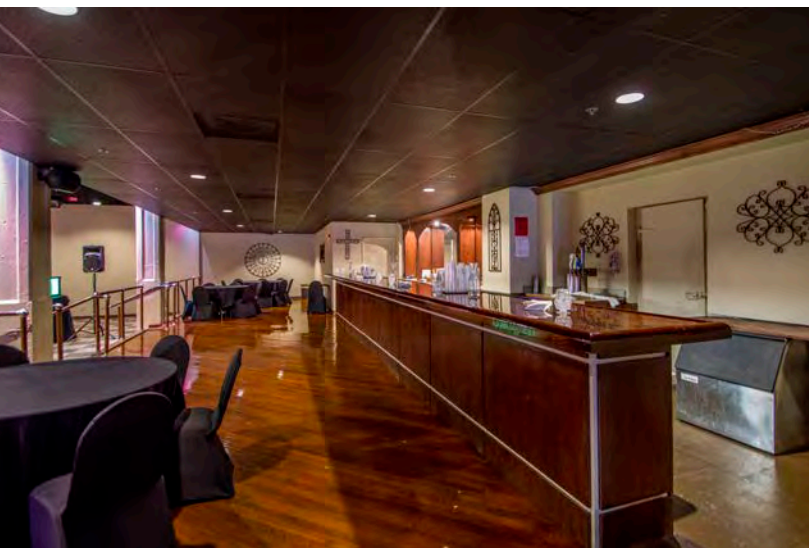
Due to Union Stations listed status on the National Register of Historic Places the structure is eligible for both State and Federal Historic Tax Credits.

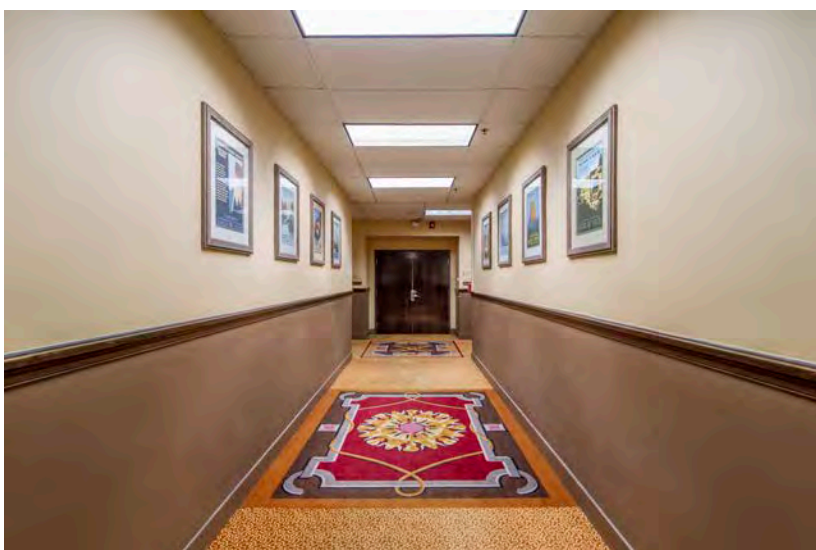
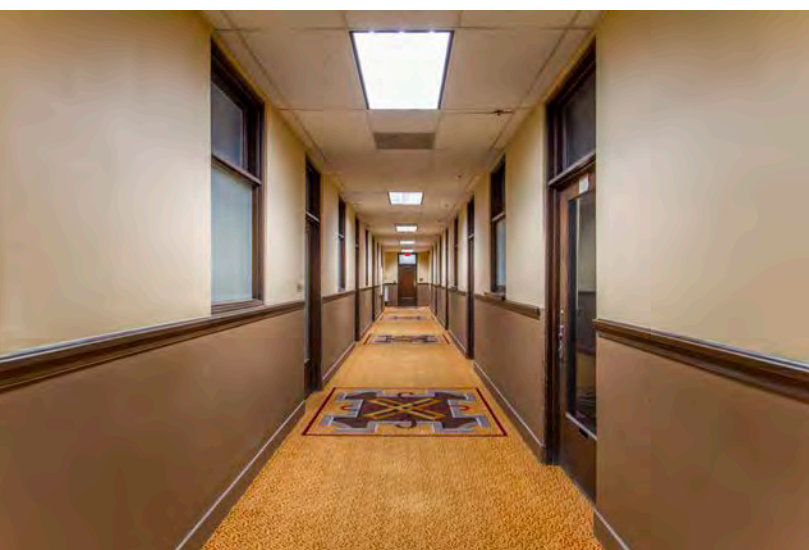
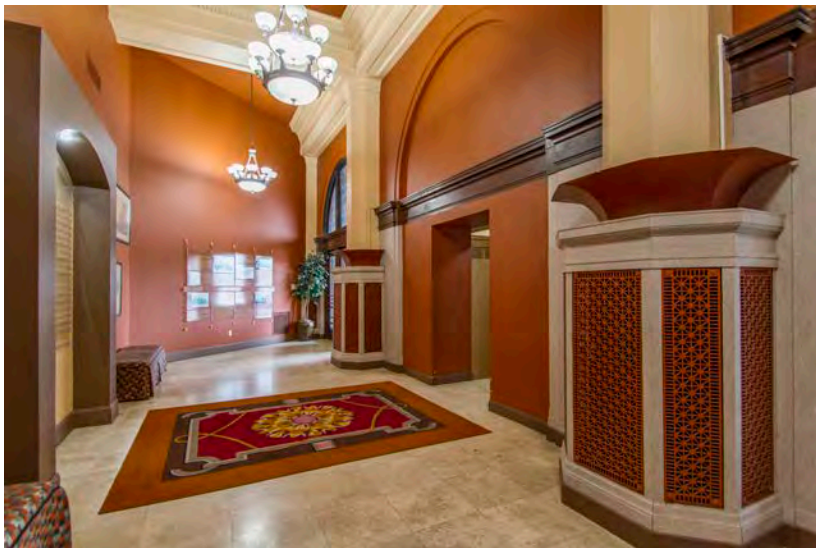
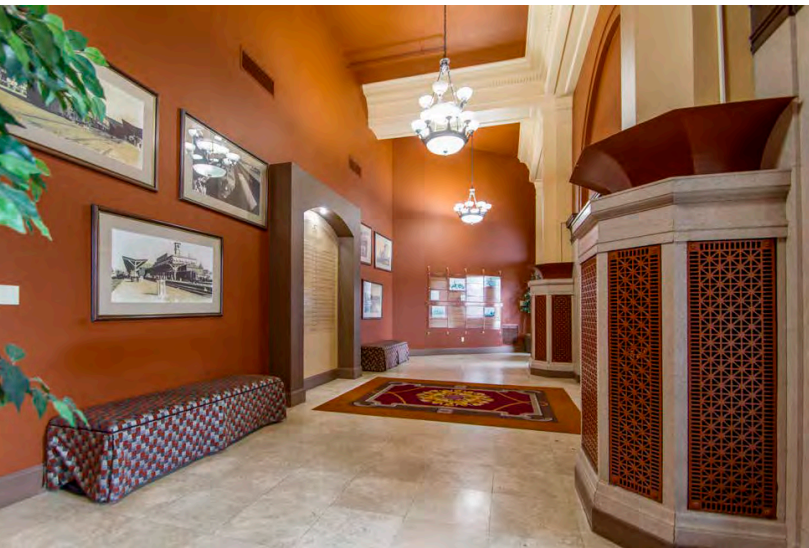


OPERATING HISTORY & PRO-FORMA

	2017	2018	Pro-Forma
Income			
Rental Income	\$ 1,037,371.71	\$ 975,055.02	\$ 1,015,662.40
Plus: Prepaid Rent	\$ (986.31)	\$ 17,323.95	\$ 0.00
Plus: CAM Reimbursement	\$ 0.00	\$ 154.00	\$ 6,250.00
Plus: Conference Room Fee	\$ 0.00	\$ 630.00	\$ 500.00
Plus: Late Fee	\$ 310.21	\$ 2,050.42	\$ 1,250.00
Gross Operating Income	\$ 1,036,695.61	\$ 999,040.69	\$ 1,023,662.40
Operating Expenses			
HVAC Contract	\$ 9,245.38	\$ 7,236.51	\$ 33,600.00
Electrical	\$ 84,736.03	\$ 78,172.27	\$ 80,000.00
Gas	\$ 4,511.32	\$ 8,508.59	\$ 6,500.00
Water & Sewer	\$ 15,491.56	\$ 15,490.60	\$ 15,490.00
Telephone/Internet	\$ 1,165.15	\$ 1,290.55	\$ 1,200.00
Janitorial	\$ 13,451.84	\$ 14,923.31	\$ 14,500.00
Other Repairs & Maintenance	\$ 13,371.89	\$ 22,574.76	\$ 14,000.00
Maintenance- On Site Attendant	\$ 28,893.64	\$ 36,129.84	\$ 36,000.00
R/M Roof	\$ 20,600.00	\$ 7,104.47	\$ 5,000.00
R/M HVAC	\$ 36,810.30	\$ 34,891.57	\$ 5,000.00
R/M Elevator	\$ 6,443.51	\$ 9,718.45	\$ 5,665.51
R/M Interior/Exterior	\$ 19,486.97	\$ 25,378.53	\$ 12,500.00
R/M Plumbing/Lighting/Electrical	\$ 4,161.28	\$ 7,086.56	\$ 7,500.00
Repairs- Fire/Life/Safety	\$ 8,909.87	\$ 3,066.06	\$ 5,000.00
Landscaping/Irrigation	\$ 22,078.19	\$ 24,059.06	\$ 24,000.00
Security Guard	\$ 36,051.97	\$ 25,333.23	\$ 25,000.00
Supplies	\$ 6,030.84	\$ 3,645.42	\$ 3,500.00
Property Taxes	\$ 61,737.26	\$ 67,903.81	\$ 73,969.00
Insurance	\$ 15,927.00	\$ 15,483.56	\$ 15,500.00
Pest Control	\$ 548.27	\$ 2,148.32	\$ 2,148.32
Trash Removal	\$ 7,790.32	\$ 12,561.81	\$ 12,000.00
Management Fee	\$ 30,816.07	\$ 28,248.59	\$ 38,200.00
Leasing Commissions	\$ 24,257.04	\$ 96,455.24	\$ 19,012.50
General & Administrative	\$ 6,044.14	\$ 9,900.07	\$ 6,500.00
Total Operating Expenses	\$ 478,559.84	\$ 557,311.18	\$ 461,785.33
Net Operating Income	\$ 558,135.77	\$ 441,729.51	\$ 561,877.07







For additional details, rent rolls, and profit and loss statements, contact Eddie or James.

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