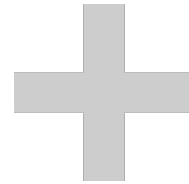


OPPORTUNITY ZONE  
DEVELOPMENT GROUP



**The Phoenix Community by Phoenix  
OZ Partners, a  
*Qualified Opportunity Zone Business***







## FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements that are not historical in nature and are based on current expectations and subject to risks and uncertainties. Although management of the Company believes that the forward-looking statements are reasonable, the Company can provide no assurance that such forward-looking statements will prove to have been correct. These statements involve known and unknown risks, uncertainties, and other factors that may cause our or our industry's actual results, level of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements. Actual financial condition, operating results, business performance, and tax treatment may differ materially from that projected. The differences may be caused by a variety of factors, including but not limited to changes in general economic conditions, competition, business interruptions, government regulatory changes, changes in key personnel, lack of sources of additional financing, and other factors.

Words such as “anticipate,” “believe,” “expect,” “intend,” “may,” “might,” “plan,” “estimate,” “project,” “should,” “will,” “result,” and other similar expressions, which do not relate solely to historical matters, are intended to identify forward-looking statements. Such statements are subject to risks, uncertainties, and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties, and factors beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or projected.

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# EXECUTIVE SUMMARY

**\$4.6M**

Qualified  
Opportunity Zone  
Business

**100%**

Lease-up for 15  
years

**\$1,000,000 per year**

**\$10,000,000** Tax-Free Exit Price with  
no Depreciation Recapture

## Overview

- **QOZB Name:** Phoenix OZ Partners
- **Fund Size:** \$4.6M
- **Fund Type:** 10-year, opportunistic closed-end fund, along with new QOFs
- **Investor Type:** Accredited, subject to verification
- **Investor Tax Incentives:**
  - Temporary deferral
  - 10% state of OZ Tax Credit – Year One (**Cash Flow in October**)
  - 100% tax-free exit exempt from depreciation recapture
- **Investment Strategy:** Provide equity capitalization into a qualified opportunity zone business to complete construction and lease a 10-unit, 50-bedroom multifamily apartment (the "Project"). The Project has been leased to a non-profit corporation for 15 years at a fixed-rent of \$1,000,000/year supported by Ohio Department of Rehabilitation and Corrections contracts with the tenant.
- **Investor Exit:** Tenant buy-out option of \$10,000,000 after investor 10-year hold period.

## Vision

Provide a safe, affordable housing solution for ex-offenders to reintegrate as contributors to our society and a **13% target IRR** (with OZ benefits) for community impact investors.

## Business **MODEL**



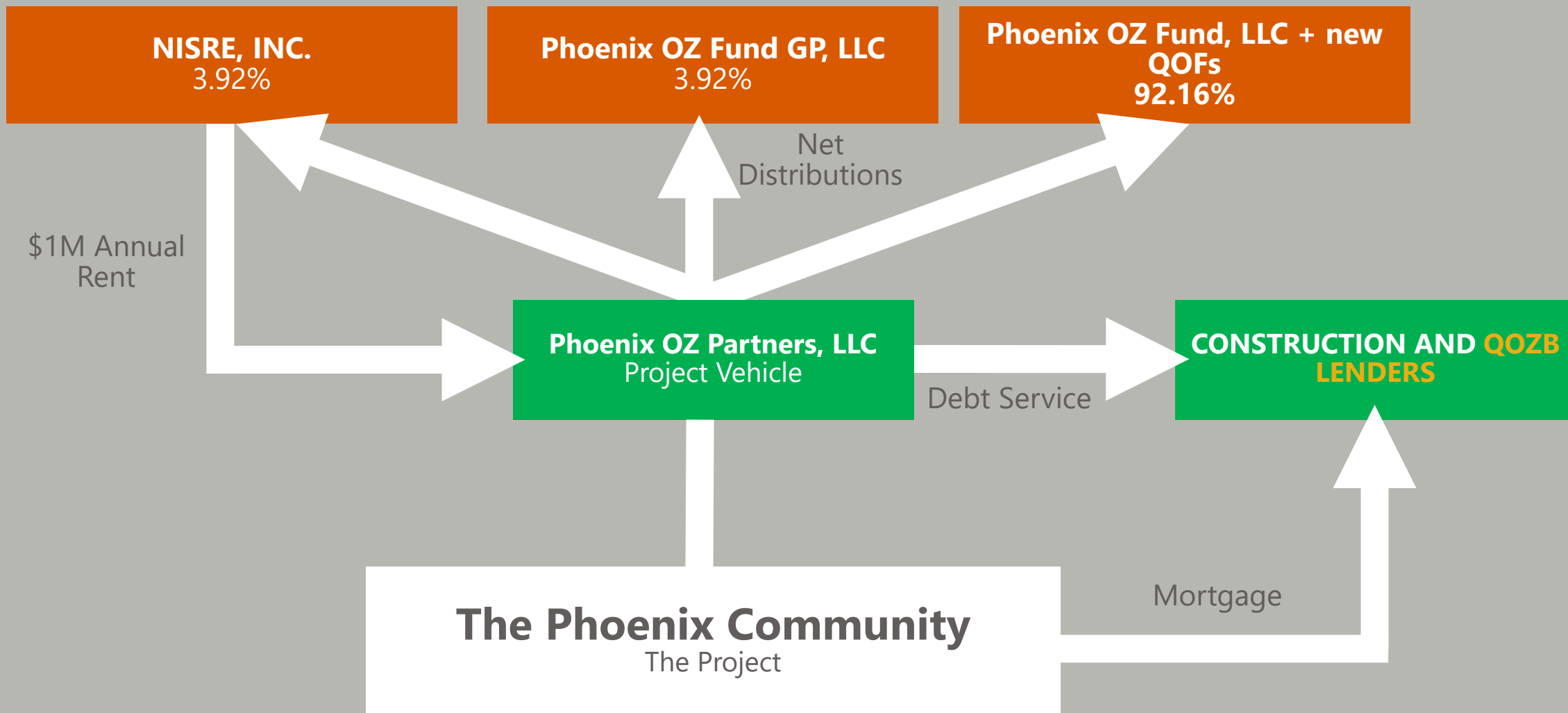
Phoenix OZ Partners (the "**Project Vehicle**") is a joint venture social enterprise formed to own, develop, and lease a 10-unit, 50-bedroom multifamily complex located at 1562 Old Leonard Avenue, Columbus, Franklin County, Ohio (the "**Project**").



Investments into the Project will be made through a qualified opportunity fund investment vehicle, Phoenix Fund, LLC (the "**Project Fund**"), and the Project Fund(s) will receive a 92.16% ownership interest in the Project Vehicle in exchange for investor capital. In order to achieve the 10% Ohio OZ Tax Credit, we will create a QOF for investors for a new investment into the partnership.



The Project is 100% leased-up to a single tenant, NISRE, Inc., under a 15-year master lease for a fixed annual rent of \$1,000,000.



## Investment **HIGHLIGHTS**



**Cash Flow:** Projected to begin on January 15, 2025 at \$75,000/quarter for Year One and \$75,000 per quarter Years Two through Eight, and \$70,000 per quarter Years Nine and 10.



**10% Ohio OZ Tax Credit:** Investors will be able to apply for the 10% Ohio OZ Tax Credit July 1, 2024, conveying a tax credit and providing early cash flow in Q4 (Oct) 2024.



**Investor Exit:** After a ten-year period, investors are projected to exit at a Project valuation of \$10,000,000 to the tenant, NISRE, Inc.

Phoenix Community												
Perm Loan Proforma	\$1,000,000 Lease per Year											
Square Feet	13,600		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Income												
	Rental Income											
	Unit rent roll (Master Lease)		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	Other Revenues											
	Less:											
	Vacancy (100% occupancy)	0%	0	0	0	0	0	0	0	0		0
	Total Gross Income		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Expenses (escalator)	1.025											
	Replacement Reserve	3.0%	30,000	30,750	31,519	32,307	33,114	33,942	34,791	35,661	36,552	37,466
	Utilities		35,000	35,875	36,772	37,691	38,633	39,599	40,589	41,604	42,644	43,710
	Insurance		60,000	61,500	63,038	64,613	66,229	67,884	69,582	71,321	73,104	74,932
	Property Management	5.0%	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Total Expenses		175,000	178,125	181,328	184,611	187,977	191,426	194,962	198,586	202,300	206,108
	Net Operating Income		825,000	821,875	818,672	815,389	812,023	808,574	805,038	801,414	797,700	793,892
	Total Income		825,000									
	Debit Service		506,400	506,400	506,400	506,400	506,400	506,400	506,400	506,400	506,400	506,400
	Total Debt Service		506,400	506,400	506,400	506,400	506,400	506,400	506,400	506,400	506,400	506,400
	DSCR		1.63	1.62	1.62	1.61	1.60	1.60	1.59	1.58	1.58	1.57
	Cash Flow		318,600	315,475	312,272	308,989	305,623	302,174	298,638	295,014	291,300	287,492
	10% Ohio OZ Tax Credit (October 2024)		400,000									
	10% Ohio OZ Tax Credit (April 2025)			85,000								
	Unrecaptued Depreciation from Cost Seg			1,327,660	240,441	212,756	195,846	195,025	182,276	169,921	169,932	169,921
	Increased Tax Yield from Deductions (After Tax)			449,816	83,193	73,614	67,763	67,479	63,067	58,793	58,793	58,793
	Net Cash Flow		718,600	850,291	395,464	382,602	373,386	369,653	361,706	353,807	350,093	346,285
				Valuation								
END OF YEAR 10	7.5% CAP		\$10,585,228									
	Appraisal Completed for Lender		\$8,800,000									
	Cost Seg Tax Yield per \$1M Equity Pari Passu		\$102,581	\$18,972	\$16,788	\$15,453	\$15,389	\$14,383	\$13,408	\$13,408	\$13,408	\$13,408



Funding Sources  
**+ USES**

## SOURCES OF FUNDS – EQUITY + DEBT

Secured Debt	\$5,456,000
Equity Raise	\$3,529,000
New Equity	\$1,000,000

**TOTAL** **\$10,189,000**

## USE OF FUNDS

Land Costs	\$2,900,000
Total Construction	\$4,900,000
Soft Cost/Pre-Dev./Carry	\$1,850,000
Working Capital and FFE	\$289,000
Developer Fee	\$250,000

**TOTAL** **\$10,189,000**

## Project Description



Projects involving development of Insulated Concrete Form (ICF) result in urban housing available at less cost than traditional residential units with similar square footage.



Consists of 10 dormitory-style residential apartments, one bath and one kitchen condo units fabricated from NuForm at a greatly reduced energy footprint.



Use of insulated concrete form (ICF) reduces repair costs, resulting in low-income housing at lower operating costs when compared to traditional residential units with similar square footage.



Cargominiums will be both nature friendly and nature resistant - ICF construction offers an ingenious eco-friendly design that is both storm resistant and innovative.



The project is constructed of 100% ICF and will be upgraded with the most energy efficient products available on the market - the result is a dorm-style condo that is spacious and offers serenity and all the comforts of home.



**Number of Units: 50 beds in 10 units with on site office space**

**Site Acreage: 1.621**

**Construction Type: Insulated Concrete Form**

**Total Budget Cost: \$10.2 million**

**Total Budget Cost per Bed, incl. to operations: \$200,000**

**Total Rent per Year\*: \$1,000,000**

*\*Rental rate is fixed with a long-term lease with NISRE, Inc.*





Sherwin-Williams  
Product Finishes

ECDI: Economic  
& Community...

The Food Fort Co

Fresenius Kidney  
Care Osuim Kidney...

The Destiny Center

The Church Of Columbus

Spectrum



Project  
**SCHEDULE**

**May-June 2024**  
QOF Capital Raise / QOZB Construction Loan

**July 2024**  
Construction Start

**December 2024**  
Certificate of Occupancy

**January 2025**  
Occupancy Begins (100% Occupancy per Lease)

**July 2025**  
Stabilization (100% Occupancy per Lease)

**June 2034**  
Investor Exit



**Dr. Michele Reynolds – President, NISRE, Inc.**

Michele Reynolds has 20 years of experience in business and non-profit management. State Senator Reynolds is the Founder and Chief Executive Officer of Nothing Into Something Real Estate, Inc. (NISRE) - a faith based nonprofit organization that provides housing and supportive services to homeless adults and at-risk youth. Founded in 2002, NISRE is licensed and contracted by The Ohio Department of Rehabilitation and Correction, U.S. District Courts, Ohio Department of Youth Services, and Ohio Department of Job and Family Services to operate supportive housing programs throughout the State of Ohio. NISRE has housed approximately 1,000 people through its restorative housing programs.



**Graham Allison – Chief Executive Officer, Opportunity Zone Development Group**

Graham Allison is CEO and Founder of Opportunity Zone Development Group (OZDG), an opportunity zone (OZ) fund management and minority-owned real estate development firm in Columbus, Ohio. Established in 2018 to take full advantage of the capital benefits and community improvement mission of Qualified Opportunity Zones, while guiding investment into ESG partnerships throughout the US, including Puerto Rico.

Graham is one of the most sought-after opportunity zone consultants in the country, having advised 200+ investors on Qualified Opportunity Fund investments totaling hundreds of millions of dollars in capital gains, as well as numerous businesses and fund managers on how to achieve their OZ goals. As Fund Manager, Graham has managed multi-million-dollar OZ equity fundraising and compliance for QOFs and QOZBs in several verticals including multi-family real estate projects.



# The Phoenix Community



*1562 Old Leonard Ave. Columbus, OH 43219*

Providing a safe, affordable housing solution for ex-offenders to reintegrate as contributors to society and a 13% target IRR (with OZ benefits) for community impact investors.

# The Phoenix Community

**Graham Allison**

CEO

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