



CBUS OZ FUNDS



A Qualified Opportunity Zone Fund specializing in urban redevelopment in Columbus Ohio. The fund has a long-term focus on delivering value to our investors while improving communities by providing desirable and attainable housing solutions throughout the urban core of Columbus.

Investment Strategy

Urban Redevelopment in Columbus, OH

Why Columbus? Growth and Stability.

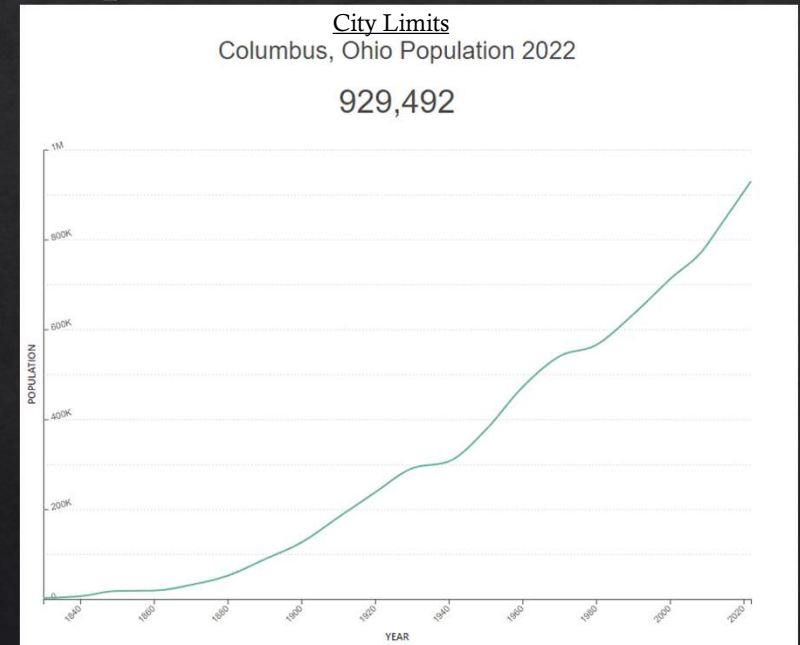
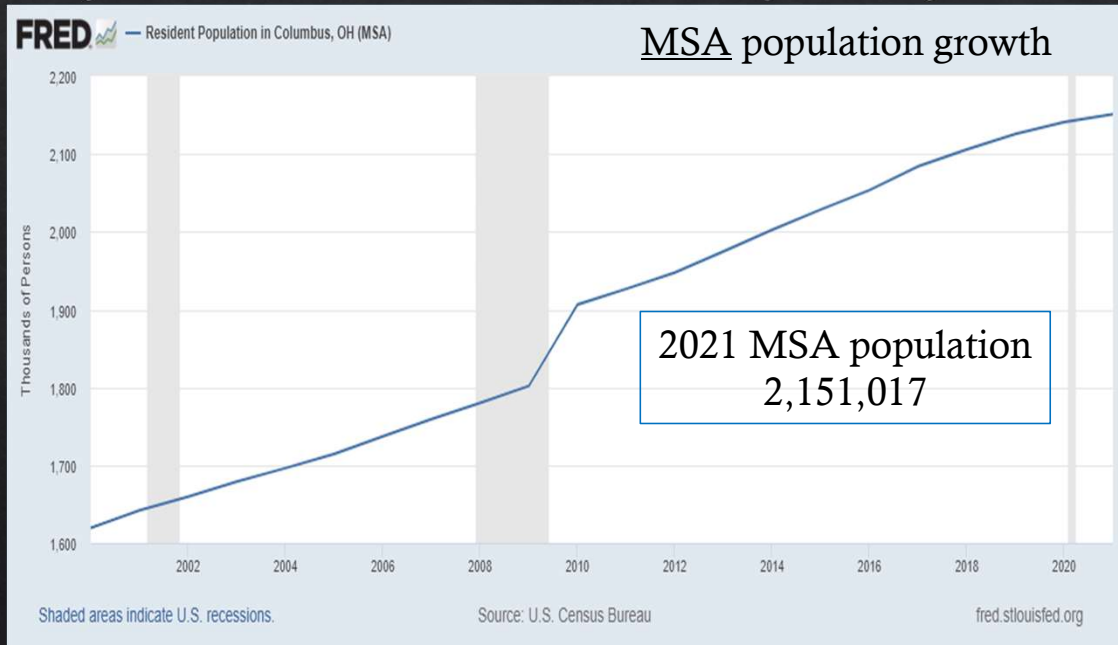
- ◆ Fastest growing city in the Mid-West
- ◆ Columbus is one of 14 U.S. cities to add 100,000 residents since 2010.
- ◆ Population in the Columbus metro grew by 12.46% from 2010 to 2020 with 2,138,926 residents.
- ◆ Region is expected to add 1 million residents by 2050.
- ◆ Economy and job base is diversified and robust.
- ◆ Cheaper cost of living and higher quality of life is attracting companies and people to Columbus, away from larger, more crowded and expensive cities.
- ◆ 9th youngest city in the United States with 48% of population under the age of 35.



Investment Strategy

Urban Redevelopment in Columbus, OH

Why Columbus? Growth and Stability: Steady & Consistent Population Growth



<https://worldpopulationreview.com/us-cities/columbus-oh-population>

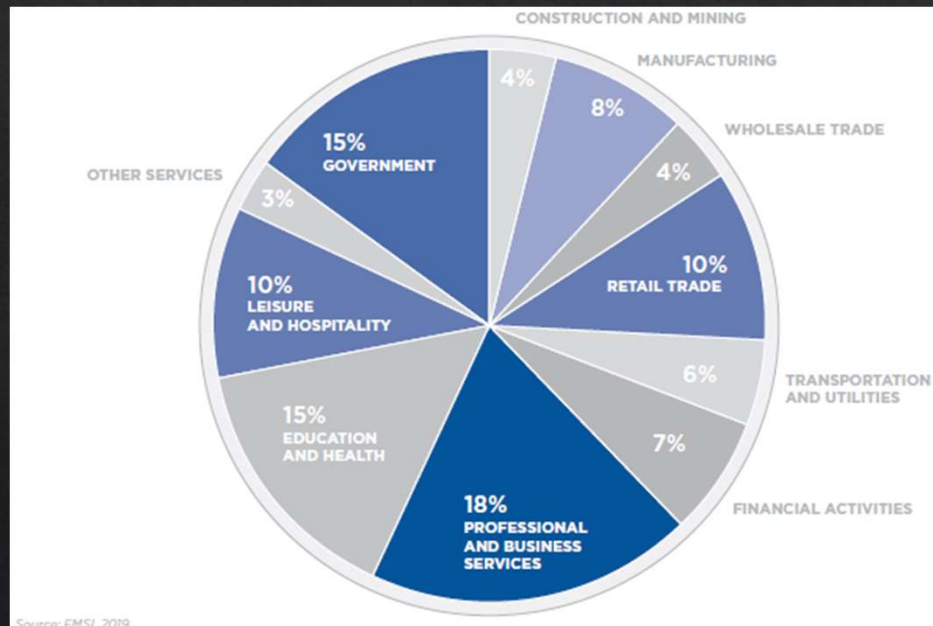


CBUS OZ FUNDS

Investment Strategy

Urban Redevelopment in Columbus, OH

Why Columbus? Growth and Stability: Stable, Diverse & Growing Economy



Company/Organization	Sector	Local Full-time Employment
Ohio State University*	Education	29,685
The State of Ohio*	Government	22,030
JPMorgan Chase	Financial Activities	16,975
OhioHealth*	Health Care	16,000
Nationwide*	Financial Activities	11,235
United States Government	Government	10,800
City of Columbus*	Government	8,653
Columbus Public Schools*	Education	8,611
Mount Carmel Health System*	Health Care	8,448
Honda of America Manufacturing, Inc.	Manufacturing	7,400
Franklin County*	Government	6,048
Nationwide Children's Hospital*	Health Care	5,762
Kroger Company	Retail Trade	5,417
L Brands*	Retail Trade	5,200
Huntington Bancshares Inc.*	Financial Activities	4,170
Cardinal Health*	Health Care	4,030
Medco Health Solutions	Health Care	3,831
American Electric Power*	Utilities	3,527
Whirlpool	Manufacturing	2,900
Battelle Memorial Institute*	Professional Services	2,618
Southwestern City Schools*	Education	2,500
Abbott Nutrition	Manufacturing	2,055
Alliance Data	Information	2,030
Emerson Network/Liebert Corporation*	Control Systems	2,000
State Farm Insurance	Financial Activities	1,894



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Coming Soon!

Investment Strategy

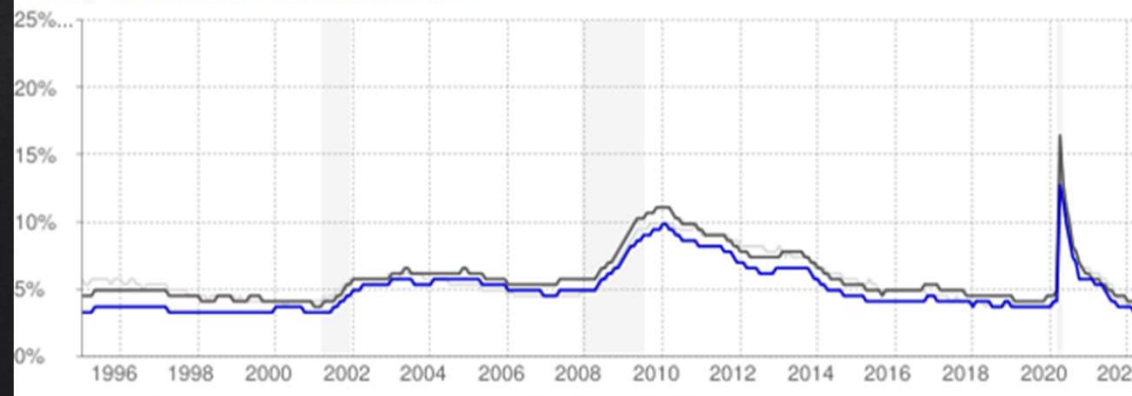
Urban Redevelopment in Columbus, OH

Why Columbus? Growth and Stability: Consistently Low Unemployment

Unemployment Rate	May 2022	Month/Month	Year/Year
National	3.6%	0.0	-2.2
Columbus	3.2%	-0.1	-2.0

Note: Metro level data is now seasonally adjusted.¹ All comparisons are made with May 2022 data as June metro level unemployment data has not yet been released.

Unemployment Rate: Columbus, Ohio, National



<https://www.deptofnumbers.com/unemployment/ohio/columbus/>



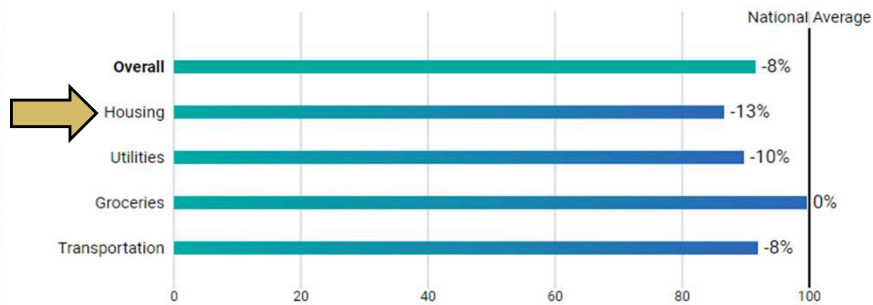
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Investment Strategy

Urban Redevelopment in Columbus, OH

Why Columbus? Growth and Stability: Attractive Cost of Living Fuels Sustainable Growth

Cost of Living in Columbus, Ohio by Expense Category



<https://www.payscale.com/cost-of-living-calculator/Ohio-Columbus>



<https://www.point2homes.com/US/Average-Rent/OH/Columbus.html>



CBUS OZ FUNDS

Why Columbus? Growth and Stability. Plus...

OHIO Opportunity Zone Tax Credit

- ◆ Ohio offers an additional incentive for OZ investors!
- ◆ All investors in CBUS OZ FUNDS are eligible to receive an Ohio income tax credit certificate equal to 10% of their investment amount.
- ◆ The tax credit certificates can be sold to other taxpayers to generate instant cash or otherwise used to offset Ohio income tax liability.
- ◆ Example: \$100,000 investment in the CBUS Opportunity Zone Fund III LLC = \$10,000 Ohio income tax credit which can be sold for cash!



CBUS OZ FUNDS

Investment Strategy

Urban Redevelopment in Columbus, OH

Why Urban? Neighborhood Revitalization to Meet Demand.

- ◆ Residential population in downtown Columbus has more than doubled between 2010 and 2020.
- ◆ Neighborhoods surrounding downtown are experiencing tremendous growth (16.5% Pop. growth compared to National Avg. of 7.4% since 2010).
- ◆ National & local patterns of population migration into walkable and affordable neighborhoods.
- ◆ Current housing stock in urban neighborhoods is inadequate in quantity and quality.
- ◆ Strong demand exists for vast revitalization of existing housing stock as well as construction of new housing, particularly in the workforce housing price category that appeals to the masses and is currently under supplied.



Fund Sponsor

Background on the Partners

- ◆ CBUS OZ FUNDS is managed by brothers Brian, Chris, and Sean Knoppe
- ◆ Business partners since 2005 and co-founders of New City Homes 
- ◆ Participated in over 1,000 real estate transactions
- ◆ Extensive experience in new construction, remodeling, property acquisition, finance, and property management
- ◆ Specialize in residential and mixed-use redevelopment within the urban neighborhoods surrounding downtown Columbus



Fund Sponsor

Background on the Partners

- ◆ Acquisition Specialists
 - ◆ The partners have acquired hundreds of investment properties since 2005
 - ◆ Processes & support staff in place to continue acquisitions for next decade
- ◆ Construction Management
 - ◆ Built & renovated hundreds of properties since 2005
- ◆ Property Management Experts
 - ◆ Hands-on property managers since 2005
 - ◆ Currently manage more than 200 properties
 - ◆ Long-term company & management stability
 - ◆ Business partners since 2005
 - ◆ Partners will continue in management role for next 10 years and beyond



Fund Sponsor

Nationally Recognized OZ Fund



CHRIS KNOPPE CBUS OZ FUNDS

Chris Knoppe is president of Cbus OZ Funds in Columbus, Ohio, where he invests to improve local urban neighborhoods in a dramatic and meaningful way through concentrated renovation of distressed housing and mixed-use properties. Investing professionally since 2007, Knoppe has successfully navigated market cycles while executing strategies including distressed property acquisition and repositioning, hard money lending, home building, and fund management. He became enamored by the power of Opportunity Zones shortly after the program's formation, inspiring him to create a fund structure to amass a portfolio of houses, multifamily, and mixed-use properties while harnessing the power of the OZ incentives.

WHAT KIND OF TRENDS AND NEW INVESTMENT AREAS DO YOU THINK QOFS WILL FOCUS ON IN 2022?

Real estate will continue to be a key investment segment including housing and industrial, however, I think we'll see real estate investment expand into broader geographies and project types. As awareness of the OZ incentives grow, my hope is that more focus is given to hyper-local investment. Similarly, I think crowd-funding strategies will grow to allow broader investor participation.



Fund Sponsor

The collage consists of 12 individual images arranged in a grid-like fashion. The top row shows a man and a woman in a meeting, a magazine cover for 'Central Ohio Investor' featuring Chris Knopke, a panel discussion on a stage, and a 'Winner' plaque for 'The Best Deal of 2019'. The second row features a 'Columbus Business First' award ceremony, a group of men on a stage, a man presenting at a podium, and a man in a suit standing next to a screen. The third row shows a man in a suit standing next to a screen, a man in a suit standing next to a screen, a man in a suit standing next to a screen, and a man in a suit standing next to a screen. The bottom row features a man in a suit standing next to a screen, a man in a suit standing next to a screen, a man in a suit standing next to a screen, and a man in a suit standing next to a screen.

Fund Sponsor

Community Involvement



Fund Sponsor

Local Market Knowledge Within Urban Core

- ◆ CBUS OZ FUNDS & New City Homes have been an early and active presence in the urban neighborhoods of Columbus
- ◆ Sponsor has been investing in “opportunity zones” before the official designations were created by the Tax Cuts and Jobs Act
- ◆ Company office is on West Broad Street in the Franklinton neighborhood immediately West of downtown Columbus...in the middle of the most compelling “OZ” in the City.



The Journey to Fund III

It Started With a Simple Mission...



Chris Knoppe, president of [CBUS OZ Funds](#), is raising a \$5.1 million fund to acquire and renovate residential properties within Columbus' urban neighborhoods. "The opportunity zone tax incentives enable us to restore vacant and blighted residential properties back into productive use, thereby increasing the housing options available to residents, eliminating havens of crime, and preserving, rather than replacing, the vibrancy of our urban neighborhoods," Knoppe said.

Excerpt from the article "Taxpayers Save \$240 Million From Taxation by Investing in Ohio Opportunity Zones" published Feb 7, 2020 by Columbus Business First

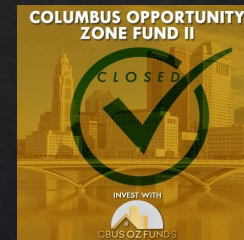


CBUS OZ FUNDS

The Journey to Fund III

...And Continues to Grow

- ◆ Summer 2019: Fund I begins acquiring single family and small multi-family properties for renovation and rental in select urban OZ neighborhoods of Columbus, OH.
- ◆ December 2019: Fund II is opened to investors with the strategy of acquiring and renovating boarded up houses to remove urban blight while increasing population as well as decrease crime and improve neighborhood safety and atmosphere.
- ◆ February 2020: Fund II begins acquiring urban single family & small multi-family properties at scale throughout urban Columbus OZ neighborhoods for renovation and rental.
- ◆ December 2020: Fund II closes investor contributions.
- ◆ Fall 2021: Fund III opens with focus on mixed-used & mid-size multi-unit projects of slightly larger scale than funds I & II.



The Journey to Fund III

Experience in Urban OZ Neighborhoods

- Successfully completed over **170 projects** in urban OZ neighborhoods (single family houses, apartments, and commercial flex space)
- Currently manage 300 rental units in urban OZ neighborhoods ranging from single family houses, apartments, and commercial flex space.



The Journey to Fund III

Projects Completed to Date in OZ Neighborhoods



- Strategic acquisition of 3 blighted properties across from elementary school
- Purchased from 3 separate owners
- Renovated all 3 properties and brought new life to the school block
- Stabilized as cash flowing rental properties



The Journey to Fund III

Projects Completed to Date in OZ Neighborhoods

Before



During



After



- 5 house streetscape near downtown Columbus
- Urban infill single family new builds
- Demolished 3 dilapidated homes and purchased two adjacent lots
- Homes all sold for between \$350,000 and \$400,000

The Journey to Fund III

Projects Completed to Date in OZ Neighborhoods

- 4-unit townhome building
- Acquired with existing code orders from the city
- All units were vacant except 1 squatter (drug activity)
- Renovated all units and stabilized as cash flowing rentals



CBUS OZ FUNDS

The Journey to Fund III

Projects Completed to Date in OZ Neighborhoods

- 4-unit building
- Drug activity
- Unpaying tenants, squatters, & unsafe living conditions
- All 4 units renovated and stabilized as cash flowing rental units

Before



After



The Journey to Fund III

Projects Completed to Date in OZ Neighborhoods

- Purchased a vacant medical clinic
- Converted to 14 private offices
- 13 units currently rented to local small businesses
- Total cost \$285,000 after purchase and rehab
- Current rental revenue of \$5,058 a month

Before



After



The Journey to Fund III

Projects Completed to Date in OZ Neighborhoods

- 5,060 Square foot warehouse
- Previously vacant, full of debris, and had holes in the roof
- Replaced the roof and improved the interior
- Now rented to Central Ohio School of Metalwork

Before



After



The Journey to Fund III

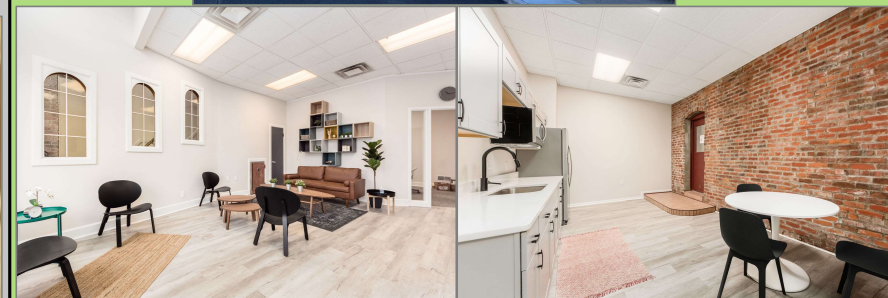
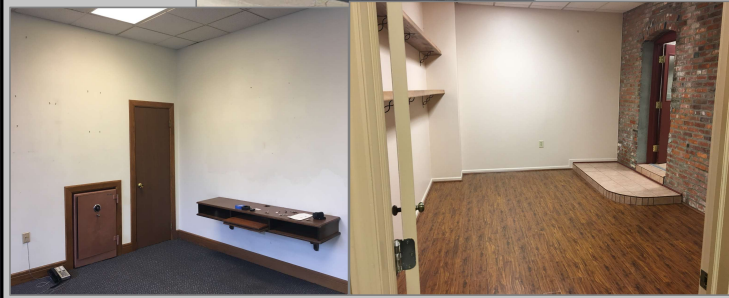
Projects Completed to Date in OZ Neighborhoods

- Previously vacant commercial building
- Upstairs converted from an apartment to New City Homes office
- Lower level converted into private office spaces
- Lower level currently rented out by Unleashed Hair Salon and other local businesses

Before



After



Fund Overview

Launching Fund III

- ◆ Fund III is now open for investment with the focus of expanding the revitalization of Columbus urban OZ neighborhoods through the re-development and new construction of small and mid-sized housing and mixed-use buildings.
- ◆ Fund III will execute projects of a slightly larger scale than Fund I & Fund II, with the goal of bringing business activity and jobs back to the commercial corridors within the OZ neighborhoods while continuing to increase the resident population with additional mid-sized multi-family housing units. This focus will provide the often overlooked “missing middle” housing segment with projects that fit within the fabric of the existing community.



Fund Overview

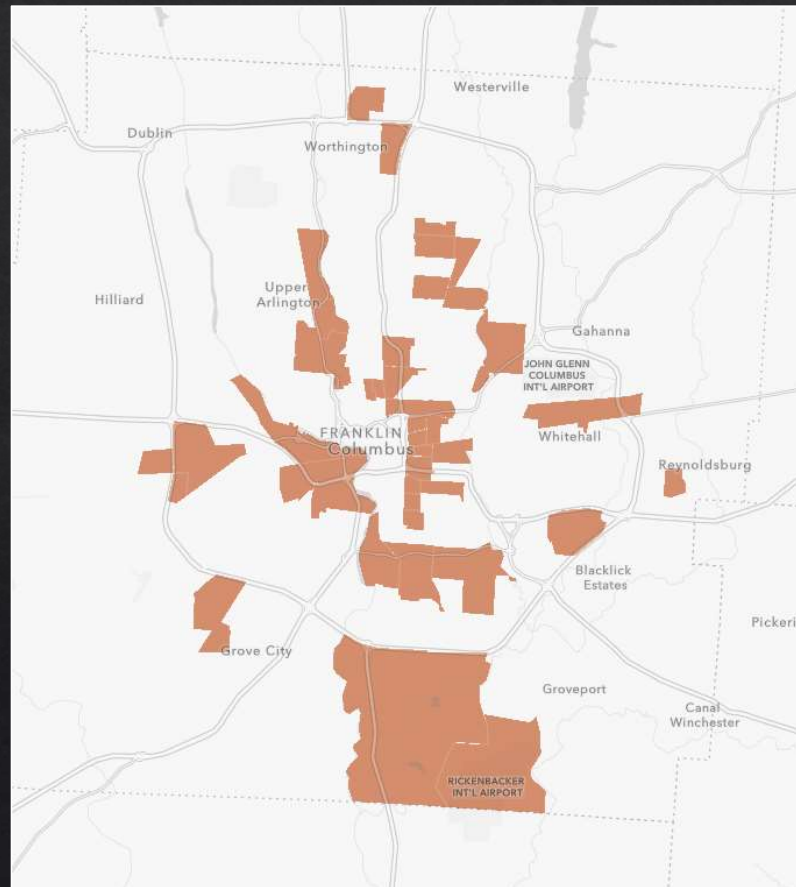
Multi-Asset, Mixed-Use Portfolio

- ◇ As an experienced builder, renovator, and property manager, CBUS OZ FUNDS understands the value and flexibility of small and mid-sized housing and mixed-use real estate assets:
 - ◇ Less zoning barriers for project approval
 - ◇ Less competition from large multi-state development companies
 - ◇ Diversification and stability through a portfolio of assets
 - ◇ Rent or sell to a wider market audience
 - ◇ Low vacancy and reduced tenant turnover



Fund Overview

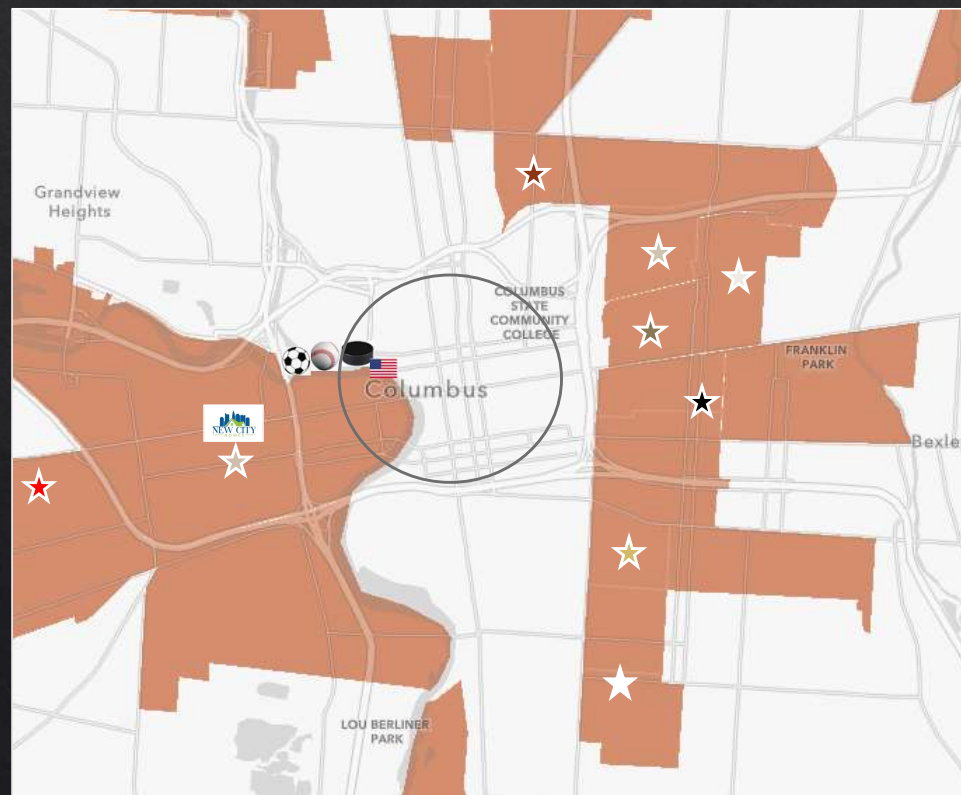
Greater Columbus Opportunity Zones



Fund Overview

Target OZ Neighborhoods

-  New City Office
-  Franklinton
-  Hilltop
-  Milo-Grogan
-  Mt Vernon
-  Woodland Park
-  King-Lincoln
-  Olde Towne East
-  Southern Orchards
-  Vassor Village



Fund Overview

Project Pipeline

- Apartment Renovations
- Mixed-use Renovations
- New construction of single-family home clusters
- New construction of mid-sized apartment buildings
- Walkable neighborhoods near downtown



CBUS OZ FUNDS

CBUS Opportunity Zone Fund III LLC

Offering Summary

- ◆ The Fund is Regulation D 506c offering open to accredited investors only for the purchase/renovation and new construction of residential and mixed-use property within the urban core of Columbus.
- ◆ A total of \$50 Million will be raised over several years, with the money being deployed as it is raised.
- ◆ Operated by experienced real estate professionals who purchase neglected properties below market value and subsequently increase the value and rental income of the properties with significant renovations and new construction.
- ◆ Once renovated, the properties will be refinanced to return cash to the fund for the acquisition and construction of additional properties. This process will be repeated throughout the life of the Fund, offering massive value creation that is ultimately a tax-free capital gain for the investors.
- ◆ The completed projects will provide rental cash flow to the operating business while offering pass through tax deductions such as depreciation that does not have to be recaptured under the OZ tax incentives. Equity in the properties will increase over time as the mortgages are paid down with rental income. Significant appreciation is also expected but not relied upon.
- ◆ After the ten-year investment period required to achieve tax-free capital gains, the Fund will refinance and/or sell properties to provide investors with a target total return of 3.1X their initial investment (12% IRR, compounded annually and tax free upon 10-year exit).



CBUS OZ FUNDS

CBUS Opportunity Zone Fund III LLC

Offering Summary

- ◆ Accredited Investors Only
- ◆ Minimum Investment: \$100,000
- ◆ Time Period: 10 year minimum
- ◆ Open for both capital gain investments and non-capital gains
- ◆ Eligible for the State of Ohio OZ Tax Credit equal to 10% of investment amount
- ◆ Investment Strategy: Multi-Asset, Housing & Mixed-Use Portfolio for Diversified and Stabilized Growth
- ◆ Preferred Return: 8.00% (compounded annually)
 - ◆ The Investors receive 100% of distributions until they receive their initial investment plus the 8.00% Preferred Return
- ◆ Target Total Return to Investors: 3.1X initial investment after 10 years (12% annually compounded IRR)
 - ◆ After receiving their initial investment plus the 8% Preferred Return, investors will receive 85% of all distributions until they reach their target return of 12% IRR (3.1X initial investment).
- ◆ Ex: Investment of \$100,000 grows to \$310,585 over 10-year hold period



CBUS OZ FUNDS

CBUS Opportunity Zone Fund III LLC

Example Investment of \$100,000 Capital Gains

- ◆ Defer current capital gains tax until 12/31/2026 (payable in 2027)
 - ◆ 20% capital gain tax on \$100,000 = \$20,000 that can be invested for 6 years before being paid to IRS.
 - ◆ \$20,000 at 12% IRR grows to \$39,476.45 after 6 years, so the tax essentially pays for itself.
- ◆ Investment in OZ Fund is eligible for a tax-free capital gain if held for 10 years
 - ◆ \$100,000 at 12% IRR (compounded annually) over 10 years grows to \$310,584.82 resulting in a tax-free gain of \$210,584.82.
 - ◆ After tax equivalent is 14%+ IRR

STATE OF OHIO TAX CREDIT BONUS: All investors are eligible for the State of Ohio OZ income tax credit equal to 10% of the amount invested into Ohio opportunity zones. The tax credit certificate can be used to offset tax or can be sold for cash. Investment of \$100,000 = \$10,000 Ohio tax credit in year 1.

Investment	100,000
Projected 12% IRR	
Year 1	112,000
Year 2	125,440
Year 3	140,493
Year 4	157,352
Year 5	176,234
Year 6	197,382
Year 7	221,068
Year 8	247,596
Year 9	277,308
Year 10	310,585

**Plus \$10,000 State of
Ohio Tax Credit
Certificate in Year 1!**

PLEASE NOTE: The Fund also accepts investment of non-capital gains, which would provide the same return, but gains made on the investment would be taxed normally.



Upcoming Deadlines

◆ Throughout 2022:

- ◆ Fund III accepting investor contributions.
- ◆ Gains from 2021 & 2022 asset sales are eligible for investment immediately, within 180 days of sale.

◆ September 2022:

- ◆ Deadline to invest pass through gains from 2021 entity asset sales (180 days from regular entity tax filing date)

◆ December 31st, 2022:

- ◆ Last day to invest for 2022 round of Ohio OZ tax credits.



CBUS Opportunity Zone Fund III

CBUS Opportunity Zone Fund III

NOW OPEN FOR INVESTMENT

Contact Us for More Information:

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Website for New City Homes: www.NewCityOhio.com

Website for CBUS OZ FUNDS: www.CBUSOZFUNDS.com



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