

# Ceeley Opportunity Zone Fund 1 LLC

## Executive Summary

### **The Project:**

The Ceeley project is a four-story mixed-use development at the main intersection of Fairview Village. Two parcels make up the in-fill project at the SW corner of the NE Market Drive/NE Village Street intersection. The parcels combined total 45,613 SF or 1.05 acres. The building will be constructed on the flat vacant parcel at the intersection for maximum visibility.

### **Investment:**

The property is located in Fairview Oregon's Opportunity Zone which increases post investment tax returns for investors investing capital gains. The building and sitework permits are issued with construction to begin when OZ capital raise completed and construction loan closed.

Permits in place along with completed sitework reduces time between investment and revenue to 14 months or less. Completing construction and lease-up by second quarter of 2022 will secure lower than normal permanent loan rates. Cash-out non-recourse permanent loan will return significant funds to OZ investors for other uses including capital gain tax payments.

### **Projected Returns:**

\$3,400,000 of Capital Gain Investor funds and over \$1,500,000 of developer project equity will secure a construction loan at 60% Loan to Cost and 52% Loan to Value. The combined equity and low ratios ensure funding at attractive terms for the duration of the investment.

Average ROI over 10 years is 26.8%.

10-year Multiple of 2.29 X

Projected Investor IRR of 15.0%

### **Opportunity Zone Benefits:**

The project is located in Fairview's Opportunity Zone which is one of the 86 designated zones in Oregon. Investors seeking favorable capital gains treatment will benefit from the capital gains tax deferral through 2026 and the step-up basis of 10% for 2020 investment.

### **Immediate Surroundings:**

This is an infill project with the following amenities within one block: a 137,000 SF Target store, a 26,000 VA clinic built in 2016, the Fairview Post Office, the Fairview Library and Fairview's City Hall. The surrounding public investment plus the general amenities of Fairview Village make this project attractive to both residential and office tenants.

**Nearby Employers:**

Amazon opened a fulfillment center a mile away with 1,500 full-time jobs. Other nearby national employers include: Boeing, ON Semiconductor, Microchip, Honda, US Bank, Pella Windows, Subaru and FedEx. In addition, the business corridor from Fairview to the Portland Airport hosts a significant number of national, regional and local light-manufacturing and distribution companies.

Interstate 84 runs eastward from downtown Portland through Fairview onto Idaho and Utah. Exit #14 from I-84 runs by the west border of Fairview Village and serves both Fairview and downtown Gresham via 207<sup>th</sup> Avenue. Fairview Village is located approximately 20 minutes from the Portland International Airport (PDX).

**Market:**

Vacancy rates for East Multnomah County remains below 5% which has been the case for the last 5-7 years. Very low vacancy rates in the East Portland metro allow new projects to be absorbed without disrupting the overall market with new projects pending for Fairview. Job creation across the Portland Metro area remains strong with east County experience strong growth due to its mix of national, regional and local employers located between PDX and Fairview/Gresham.

Oregon's Rent Control rules do not apply to new construction for 15 years.

**Project Status:**

The subject property is fully approved by the City of Fairview with all sitework and building permits issued. The project qualified for the City of Fairview's Incentive Program which reduced permitting costs by over \$300,000. The developer's equity in the project includes the entitlements; the completed parking lot and nearly complete sitework improvements around the pad. Completed sitework dramatically reduces project risk and the time between investment and revenue.

**Gainvest Holdings:**

Fund Administrator: Gainvest Holdings

Process: Establish no cost Gainvest Account to view Project Information and complete onboarding of OZ investment into the Ceeley Opportunity Zone Fund

Ceeley Opportunity Zone Fund 1 Information at: <https://gainvest.co/portal/>

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