



ST GEORGE BUSINESS DISTRICT  
COMMERCIAL OFFICE COMPLEX  
DEVELOPMENT PROJECT

STATEN ISLAND, NY

BAY O.Z. VENTURES II LLC



VERTUS ASSET MANAGEMENT LLC.

# BAY O.Z. VENTURES II LLC

## Fund Details

Bay O.Z. Ventures II LLC (the “Fund”) is a qualified opportunity zone fund (a “QOF”) under IRC Section 1400Z-2 (the “Code”) raising funds to acquire commercial buildings and land for development of Class A office and Parking within the St George Business District in the North Shore of Staten Island, NY. Each Property will be acquired by purchase by a subsidiary Joint Venture that is a “qualified opportunity zone business” under the Code (each a “QOZB”) with an experienced local developer (each, a “Manager”).

The sole sponsor of the offering of limited partnership interests in the Fund is the Fund’s general partner, Galaxian Real Estate Holdings, LLC (the “General Partner”), a newly formed New York limited liability company that is controlled and majority owned by Vertus Asset Management LLC and affiliates (collectively, “VAM”) will provide the General Partner with the personnel, facilities and pipeline to enable the General Partner to serve as the Fund’s general partner.

The Fund is a Multi-Asset, diversified, specified, 10-year QOF, with a top management team having over two years of QOF management with one other successful prior project. The General Partner is obligated to cause its Management Team to be exclusive regarding QOZ eligible investments that meet the Fund’s Investment Parameters until the Fund’s investment period has expired.

# VERTUS ASSET MANAGEMENT

Vertus Asset Management (“VAM”) is a Residential and Commercial Real Estate Investment firm that targets and executes on opportunistic and value-add Acquisition and Development strategies.

- Value-Add Acquisition – identify, acquire and renovate under valued residential, commercial and mixed-use assets to exit at appreciated market values.
- Development – acquire and assemble existing land parcels and through their extensive knowledge of zoning restrictions and ordinances, develop highest and best use projects that are in great demand and short supply in the market.



# INVESTMENT OVERVIEW

Vertus Asset Management (“VAM”) is seeking \$8.0 M of equity for a ten percent stake in Bay O.Z. Fund II. The money will be used for the acquisition of property and land that will be used for the development of approx. 90K sqft of new commercial office space and parking (the “Project”) in a federally designated opportunity zone within the St George Business District in the North Shore of Staten Island.

The Project will be potentially one of only three sites that VAM is aware of that could be a qualified location that would meet the needs of a recently released RFP requiring 150K sqft of commercial office space to house various New York City agency workers in the North Shore. This mandate, if awarded to VAM, will guarantee a long-term, single tenant, triple net lease for this new commercial office space that will be guaranteed by the City of New York. There is a high probability that this mandate could be awarded to VAM.

In addition to the City of New York, VAM believes there is over 500,000 sqft of demand from other tenants for the Project as there is currently no Class A office space available in the North Shore of Staten Island. All of these potential tenants of the Project have a similar credit profile to the City of New York, as they are large non-profits like AHRC and/or Integration Charter Schools and/or hospital systems like Northwell Health and Mt. Sianai. It is VAM’s objective to pursue and negotiate a lease with one of these tenants that provides the best financial returns for the project.



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# ST GEORGE BUSINESS DISTRICT AND THE NORTH SHORE



The St. George business district is located on the North Shore of Staten Island and contains the Staten Island Ferry Terminal. The district is the gateway borough for the 21 million commuters and tourists each year.

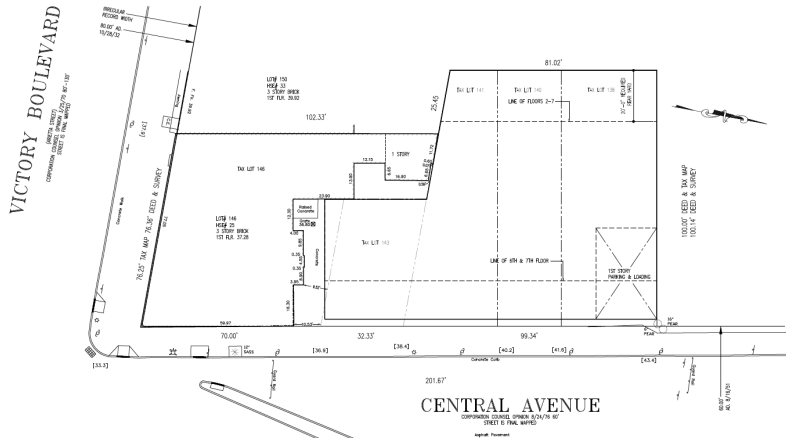
The district was officially rezoned to create the Special St. George District to promote a pedestrian community, but over the past two decades, New York City has invested million of dollars in this district. This includes the construction of Richmond County Bank Ballpark (2001), renovations of the St. George Ferry Terminal (2005), development of 17k sqft of retail space in the Ferry Terminal (2010) , and development of the 18,500 sqft for the NYC Business Solutions Center and Workforce Career Center (2010).

The City will continue to invest in the district with planned projects underway, such as the Staten Island Supreme Court Complex and Ferry Terminal Bus Ramp Rehab. A continued goal of these investments is to create commercial office space to support sustainable economic development and create parking to accommodate commuters and residents in the district.



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# PROJECT DETAILS



The property consists of five separate land parcels, that lie on the corner of Victory Blvd and Central Ave over 0.38 acres. A summary of the land parcels and their descriptions are below:

Address	Block	Lot	Lot Area	Land Type
128 Central Ave	6	138	3,757	Non-Residential Vacant Land
132 Central Ave	6	140	2,504	Non-Residential Vacant Land
134 Central Ave	6	141	2,772	Non-Residential Vacant Land
136 Central Ave	6	143	1,605	6 Family - Dwelling
25 Victory Blvd	6	146	6,081	Office Building
			<b>16,719</b>	

The Project is a proposed assemblage of the vacant and occupied land parcels on Central Ave. Existing zoning laws provide a FAR (Floor-to-Area) restriction of 2.2 for properties along Central Ave. The lot areas along Central Ave total 10,638 sqft, so the acceptable Project size, at first glance, is 23,204 sqft.

However, with VAM’s extensive knowledge of zoning, they knew that the FAR for a proposed development assemblage will increase to the max FAR that the assemblage lies against. Therefore, the land parcels adjacency to 25 Victory Blvd, allows for the total development assemblage to include 25 Victory Blvd and adopt its FAR restriction of 3.4. This increases the lot areas total to 16,719 sqft and increases the total acceptable size of the development assemblage to 56,845 sqft – an increase of over 23,000 sqft !



## PROJECT DETAILS (CON'T)



Furthermore, VAM also knows the area development plan resolution in the St George Business District allows for 400 sqft of commercial development for every parking spot provided. With a planned parking deck of 169 spaces, the additional commercial development can further increase another 67,600 sqft, allowing for a total of over 124,000 sqft of commercial space – however they are projecting approx. 91,500 sqft to be conservative.

The project will also include existing commercial space in 25 Victory Blvd, which will include long-term tenants such as AHRC NYC, a non-profit dedicated to the advance of under-developed children in New York City and H&R Block.

The parking deck will consist of an automated rack & rail system that will automate the parking and retrieval of cars and eliminate the need for excessive staff lowering operating expenses for the stabilized project.

# Vertus Asset Management Team

## **Andy Gonchar – Chief Executive Officer and Managing Partner**

After graduating from N.Y.U. Mr. Gonchar spent nearly 25 years in the financial industry. He held key positions in prestigious organizations such as CIBC Oppenheimer, Smith Barney, Shearson, Lehman Brothers and ultimately his own broker dealer MPG. In 2006 Mr. Gonchar left wall street and began building and developing. To date, including projects under development, he has been involved in over 100 hundred real estate development projects with a market value in excess of \$500,000,000 dollars.

## **Guy R. Pennisi – Chief Financial Officer and Managing Partner**

Mr. Pennisi graduated St. John's University with a BA degree in Accounting and Finance. Mr. Pennisi has spent the last twenty years working for Pershing, Solomon Smith Barney and Tigershark Management where he was the trader for a \$250 million-dollar hedge fund. To date, including projects under development, he has been involved in over 100 hundred real estate development projects with a market value in excess of \$500,000,000 dollars.

## **Edward J. Rice - Chief Operations Officer and Managing Partner**

Mr. Rice has over 25 years of experience in the building industry. He is the owner of American Home Building and Masonry. He has owned and operated American Home Building and Masonry for over 20 years. They provide all aspects of construction, either by self-performance or by hiring sub contractors.

He is responsible for managing the day-to-day operations of all VAM development and construction projects and he holds the following licenses and or certifications:

- General Contractor License- GC LIC # 30988
- Superintendent License- Superintendent # 22524
- OSHA certification
- Site Supervisor approved- SST licensed
- Registered with NYC DOB

American Home Building and Masonry holds the following licenses and or certifications:

- Registered with the NYC DOB
- Licensed and insured; as a GC/ SST/ superintendent
- Home improvement licensed
- BBB Licensed

