Revitalization Through the Adaptive Reuse of Existing Buildings
NAHB Disclosure

The material in this education session has not been reviewed, approved, or endorsed by the National Association of Home Builders (NAHB). The topics discussed and the materials provided herein are for informational purposes only, are not intended to be an exhaustive presentation of information on a particular subject, and should not be treated as such. The speaker or speakers are not acting on behalf of or at the direction of NAHB.

NAHB specifically disclaims any liability, loss or risk, personal or otherwise, which may be incurred as a consequence, directly or indirectly, in the use or application of any of the materials presented in this or any other education session presented as part of the International Builders Show®.
Meet Your Speakers

Jeff Spicer
Dominium
Development & Acquisition
Dallas, TX
LinkedIn

Scott Ewing
Dominium
Construction & Architectural Services
Minneapolis, MN
LinkedIn

Dominium LinkedIn
## Project Overview

<table>
<thead>
<tr>
<th></th>
<th>Schmidt Artist Lofts</th>
<th>A-Mill Artist Lofts</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Apartments</td>
<td>260</td>
<td>251</td>
</tr>
<tr>
<td>% Affordable</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Rental Range</td>
<td>$726 to $1,233</td>
<td>$870 to $1,289</td>
</tr>
<tr>
<td>Total Development Costs</td>
<td>$122 million</td>
<td>$156 million</td>
</tr>
<tr>
<td>Construction Costs</td>
<td>$77 million</td>
<td>$100 million</td>
</tr>
<tr>
<td>Closing Date</td>
<td>November 16, 2012</td>
<td>October 10, 2013</td>
</tr>
<tr>
<td>Completion Date</td>
<td>June 1, 2014</td>
<td>July 31, 2015</td>
</tr>
</tbody>
</table>
Schmidt Brewery

Schmidt Brewery
St. Paul, MN
A-Mill Artist Lofts
Minneapolis, MN
Low Income Tax Credits

- Income restrictions equal to either: 20% of units at 50% of Area Median Income ("AMI") or 40% of units at 60% of AMI
- Rent restrictions equal to 30% of either: 50% of AMI or 60% of AMI
- Rent and Income Restrictions are in place for a minimum of 15 years
- Credit is generated annually for 10 years
Federal Historic Tax Credits
(Section 47 of the Internal Revenue Code)

• Provides a 10% credit to any non-residential building built before 1936; or
• A 20% credit to any building the Secretary of the Interior designates as a certified historic structure, which is: 1) a building listed on the National Register of Historic Places; or 2) a building certified by the Secretary of the Interior as being a contributing building to a registered historic district
• Credit is a percentage of “Qualified Rehabilitation Expenses”- Essentially, what is basisable
• A one-time credit
State Historic Tax Credits

- If eligible for the federal credit, then eligible for the state credit
- Amount of state credit is the same as the amount of federal credit
Tax-Exempt Bonds 
(Section 142 of the Internal Revenue Code)

• Many types of projects can use tax-exempt bonds, but in this context, must be a “qualified residential rental project”
• Requires the same income restrictions of low-income credits
• For Minnesota projects only, requires a rent restriction that 20% of units be leased at HUD Fair Market Rents
• Automatic allocation of low-income tax credits with issuance of tax-exempt bonds
Redevelopment Costs

- Total Development Costs: $156,000,000
- Notable Development Costs:
  - Acquisition Costs: $3,600,000
  - Construction Costs: $100,000,000
  - Professional Services: $5,000,000
  - Bond & Financing Costs: $3,700,000
Sources of Funds

• Total Sources of Funds: $156,000,000
• Notable Sources of Funds:
  • 1st Mortgage: $25,650,000
  • LIHTC & Fed. HTC Equity: $74,150,000
  • Environmental Grants: $1,500,000
  • Other Grants: $950,000
  • Saint Paul CDBG: $1,500,000
  • GP Capital (MN HTC): $25,000,000
  • Dominium Deferred Loan: $27,500,000
Redevelopment Costs

• Total Development Costs: $122,009,158
• Notable Development Costs:
  • Acquisition Costs: $6,204,767
  • Construction Costs: $78,600,000
  • Professional Services: $2,981,424
  • Bond & Financing Costs: $3,856,590
Sources of Funds

• Total Sources of Funds: $122,009,158

• Notable Sources of Funds:
  • 1st Mortgage: $21,900,000
  • TIF Mortgage: $2,950,000
  • Seller Note: $2,500,000
  • LIHTC & Fed. HTC Equity: $50,049,590
  • Environmental Grants: $2,716,006
  • LCDA Acquisition Grant: $1,250,000
  • Saint Paul CDBG: $1,500,000
  • GP Loan (MN HTC): $20,182,599
A-Mill Progress
A-Mill Progress
A-Mill Progress
Brew House
Brew House
Bottle House (Interior)
Finished Bottle (Interior)
Finished Bottle (Interior)
Finished Bottle (Interior)
Finished Bottle (Interior)
Bottle (Interior)
Finished Bottle (Interior)
Development Team

- Developer: Dominium
- Architect: BKV
- Structural/MEP: BKV
- Civil/Survey: Loucks Associates
- Environmental: Peer Engineering
- Contractor: Weis Builders
- Exterior Restoration: MacDonald & Mack
- Historic: MacRostie Historic

Advisors
- Energy Analysis: Weidt Group
- Consulting Architect: Pfister
- Artist Consultant: Nordyke
- Envelope: Wiss, Janney Elstner
- Archaeology: Christina Harrison
- Title: Commercial Partners
- Legal: Winthrop & Weinstine
Construction – what went wrong

- Windows SHPO/NPS
- Environmental
- Structural issues
Speaker Contact Information

Jeff Spicer
Dominium Development & Acquisition
jeff.spicer@dominiuminc.com
Dallas, TX
LinkedIn

Scott Ewing
Dominium Construction & Architectural Services
sewing@dominiuminc.com
Minneapolis, MN
LinkedIn