

# West St. Paul – Dominion New Construction Project

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In July of 2019, Dominion Development & Acquisition signed a purchase agreement to acquire the Kmart and vacant bank property at the intersection of Butler Avenue East and South Robert Street in West St. Paul.

Dominium plans to redevelop the approximately 12-acre site into a two-building project, which will provide 232 units of senior housing and 137 units of workforce housing.

As part of the Section 42 rental housing program, the rents of all units will be capped at a level that is affordable to households that earn not more than 60% of the Dakota County area median income, adjusted by family size – the 4-person area median income in Dakota County for 2019 is \$100,000. All residents of the project will be responsible for payment of the full monthly rent. A table that includes the estimated monthly rental rates for the project is included below.

As part of the financing for this project, Dominion intends to apply for tax-exempt bonds and 4% affordable housing tax credits through Dakota County. Dominion will also be requesting financial participation from the City of West St. Paul for this project. This request will likely come in the form of TIF. Further discussion on this is also included below.

Dominium, a national developer and manager of multifamily and senior housing, has considerable development experience on projects the state of Minnesota. To date, Dominion owns and manages 8,706 units across 63 properties throughout Minnesota. In the past five years, Dominion has developed over 2,500 units of new construction senior and workforce housing in Minneapolis, St. Paul and the surrounding suburbs. We have worked in partnership with each municipality to design a great project that meets the needs of each particular City and neighborhood. We are excited to begin work with the City of West St. Paul on this transformational project. Based on initial projections, the total development cost will likely be between \$90-100 million.

## **Project Unit Mix:**

### *Building 1: Senior Housing (Age Restricted 55+)*

<b>Apartment Type</b>	<b># of Units</b>	<b>Square Feet</b>	<b>Proforma Rents</b>
One Bedroom / One Bathroom	87	661	\$1,053
Two Bedroom / Two Bathroom	95	975	\$1,261
Three Bedroom / Two Bathroom	50	1,311	\$1,454
<b>Total / Average</b>	<b>232</b>	<b>930</b>	<b>\$1,225</b>

*\*Proforma Rents are subject to change based on changes in Area Median Income for Dakota County.*

### *Building 2: Workforce Housing (Not Age Restricted)*

<b>Apartment Type</b>	<b># of Units</b>	<b>Square Feet</b>	<b>Proforma Rents</b>
One Bedroom / One Bathroom	28	664	\$1,053
Two Bedroom / Two Bathroom	69	978	\$1,261
Three Bedroom / Two Bathroom	40	1,345	\$1,454
<b>Total / Average</b>	<b>137</b>	<b>1,021</b>	<b>1,225</b>

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## **Project Amenities:**

The residential units will offer many desirable amenities, including an in-unit washer and dryer, refrigerator, dishwasher, oven/range, microwave, air conditioning, patios/balconies, walk in-closets and an open floor plan.

The senior housing building will provide several unique community amenities to include a clubroom, grilling and picnic areas, on-site fitness center, beauty salon, theater room, cards/crafts room, underground heated parking and additional storage space. The site will also include a nicely landscaped courtyard with walking trail connections to nearby public transit options and neighboring retail properties.

The common-area amenities for the workforce project will likely include courtyard with grilling and picnic areas, dog run and playground area, on-site fitness center, underground heated parking garage and likely a swimming pool.

## **Estimated Project Schedule:**

Closing & Construction Start – Summer 2020

Construction Completion – Spring/Summer 2022

Stabilization/100% Occupancy – Spring 2023

## **City Participation – Rezoning/TIF Request**

In order for Dominion to move forward with the project, we will need to work through any needed project entitlements necessary to support the requested density and housing use proposed.

In addition, Dominion will seek financial assistance in the form of Tax Increment Financing from the City of West St. Paul. Because of the challenges of this project – the cost to assemble multiple parcels, costs of demolition and cleanup, among others – we will need financial assistance to complete this development. Other similar projects in the Minneapolis/St. Paul metro have received support from both the City and County level in a variety of forms, with TIF being the most common form of financial assistance. We will work closely with the City and with Dakota County on this TIF request and in exploring whether any HOME funds or other project cost subsidies may be available. We would like to begin discussing and negotiating this request with the City Staff, Ehlers and the Economic Development Authority.