

*K. Allen*



*9:14 AM*

## **PROPOSAL AND RESPONSE**

City of St Petersburg  
Intent to Lease or Sell  
City-Owned Real Estate

***Parcel 1 of the City of St Petersburg  
Commerce Park***

Respondent: Domain Homes, Inc.

## **Table of Contents**

- 1. Domain Homes background information.**
  - 2. Site description and land plan.**
  - 3. Project structure between Respondent and the City of St Pete.**
  - 4. Retail space development.**
  - 5. Dedicated retail/office space for community needs.**
  - 6. Job creation and/or retention for the CRA and low to moderate income individuals.**
  - 7. Small Business Enterprise participation in the construction of projects.**
  - 8. Specific details about the development team and experience.**
  - 9. Utilizing developers that can demonstrate financial capability to construct the development**
-

## **Domain Homes Biography**

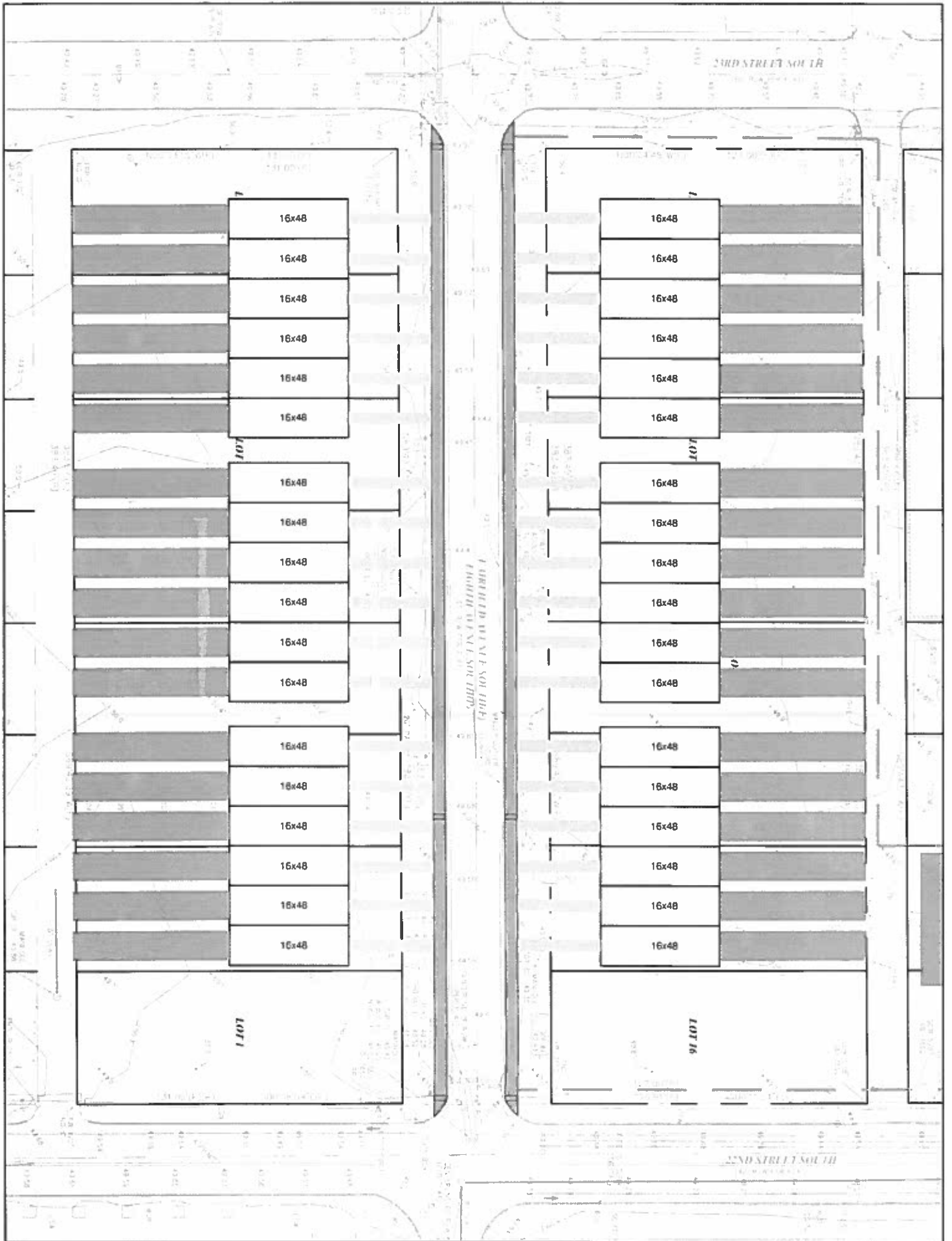
Domain Homes was incorporated as an S Corp on April 9<sup>th</sup> 2010 and has successfully constructed over 900 homes in the Tampa MSA. Domain Homes is in good standing with the Florida Secretary of State and has maintained a profitable ongoing business enterprise with a sole activity of Homebuilding. Domain Homes' activity footprint reaches across the greater Tampa Bay MSA and has successfully completed homes in Hillsborough, Pasco, Pinellas, and Volusia counties, as well as the City of Tampa, City of St Petersburg, City of Safety Harbor, City of Ormond Beach and the City of Pinellas Park. Domain Homes is the largest volume single family Homebuilder within the urban core of the City of Tampa and the City of St Petersburg. Domain Homes employs 27 employees locally and in 2019 had just over \$45,000,000 dollars in gross revenues.

Domain Homes is very well capitalized with several credit facilities totaling over 35 million dollars. Domain Homes maintains a very healthy balance sheet with less than a 2 to 1 ratio. Our executive team consists of Sharon McSwain, sole owner and CEO. Kevin Robles, Chief Operating Officer, Jim McCarthy, Vice President Acquisitions, Sharon Gould, director of Finance and Accounting, Jim Birkhotz, President and Adam Mays, President-Tampa. The Executive Team represents a total of 167 years of homebuilding construction experience.

Sharon McSwain as sole participating owner of Domain Homes is a certified WMBE by the City of Tampa as well as a registered with SAM and SBA and maintains a WBE designation.

In February of 2018 Domain Homes entered into a collaborative Public Private partnership with the City of Tampa to construct a minimum of 75 Single Family Homes located almost exclusively within the East Tampa CRA boundaries. This program has been an outstanding success by every performance measurement required by the Developers Agreement and has constructed and closed over 40 homes and has another 29 homes sold and under construction, all accomplished effectively in the last 18 months. Additionally, Domain Homes has added a full time client facilitation to singularly focus on the homebuyer success to homeownership. This is done with a more holistic approach, working with every aspect of the pathway to successful homeownership. Additionally, Domain Homes has fostered a collaborative approach by engaging with 8 different Not-for Profit entities for a wide range of Homeowner services. This has been a cornerstone to greater success in this program.

Domain Homes continues to find innovative ways to bring more affordable housing into markets that exhibit the need.



# Proposed Structure Between Domain Homes And The City of St Petersburg

## The Proposal

Domain Homes proposes to the City of St Petersburg that Domain Homes develops Parcel 1 of Commerce Park into a fee simple townhome project that would be targeted at and available to all low to moderate eligible beneficiaries between 80% to 140% AMI for the area. Domain Homes proposes to:

- Fully Develop the residential and commercial subject property
- Construct approximately 36 townhomes for low to moderate income family ownership
- Conduct all marketing and sales of these townhomes
- Provide a 2 Year/10 Year Warranty on these new homes
- Facilitate a free Homeownership Educational Program for new residents as part of our ownership process
- Facilitate financing for ownership to interested parties for these 36 townhomes.
- Utilize our existing strong private banking relationships to arrange the maximum amount of private mortgage DPA, Down Payment Assistance, for these residents
- Collaborate with local not-for-profit partners to assist with client facilitation towards ownership

This collaboration with the Not-for Profit partners would be accomplished through a Memorandum of Understanding between Domain Homes and the collaborating not-for-profit partner. Furthermore, the property would be encumbered with a Restrictive Covenant that will keep the property in the ownership of low to moderate income individuals for a minimum of 10 years, probably longer.

Finally, Domain Homes would develop a commercial/retail parcel facing onto South 22<sup>nd</sup> Street. Domain Homes would commit to the construction of the commercial/retail improvement under a "build to suit" scenario. Domain Homes already possesses the proper experience and licensure to complete this project.

**The Structure** - We propose to enter into a Developers Agreement with the City of St Petersburg in which the City of St Petersburg would bring into the transaction, the subject parcel of lands. Domain Homes would then be responsible for all the horizontal land development and deliver back to the City of St Petersburg approximately 36 build ready townhome pad. The exact number of townhome units shall be confirmed after an approved preliminary site plan. Domain Homes proposes that the City of St Petersburg reimburse Domain Homes the actual cost of the development but in no case shall it exceed \$32,000 dollars per build ready pad. Domain Homes would fund this development on the front-end and

would ask the City of St Petersburg to then reimburse Domain Homes in two periods, Plat Recordation and Certificate of Project Completion. The City of St Petersburg shall retain ownership of the property and shall only convey ownership via deed or lease upon the issuance of the individual building permits. The development of the commercial/retail outparcel will be reimbursed at Plat Recordation.

**The Product** - Domain Homes proposes a fee simple townhome project consisting of approximately 36 townhome units. The units will be a mixture of both 2BR/ 2.5 Baths and 3 BR/ 2.5 Bath units approximately 1250 to 1425 square feet respectively. The freshly designed product will be appropriate to the price point and relevant to today's market trends and needs. All homes shall have a 1 car garage. We will be sensitive to the HOA fees and work to make sure all costs associated with the fees are appropriate to the price point. We are anticipating the Retail pricing to start in the \$159,900 to \$169,900 range. These units shall have an urban feel and will be highly energy efficient. Domain Homes shall endeavor to make these units compliant with local, state or federal program requirement thus allowing full access to advantageous homeowner assistance programs. These homes will be backed by a 2 year/10 year warranty.

**The Process** - Upon the acceptance of our proposal Domain Homes will begin all feasibility and due diligence on the subject property and craft the Developer's Agreement between the City of St Petersburg and ourselves. This Agreement memorializes our understanding and institutes performance milestones and timeframes for Domain Homes. All major project decisions shall be made and agreed upon jointly between the City and Domain Homes.

## Retail Space Development

Under the current proposed plan, there will be an outparcel carved out along 22<sup>nd</sup> Street parceled out for retail/commercial zoning and development. Domain Hoes would propose that this outparcel be zoned and entitled to be able to develop the parcel for that specific purpose. We would propose entitling and developing the site for a build ready scenario. Domain Homes would then endeavor to work towards a “build to suit” arrangement with all prospective owners or tenants. It is our opinion that the site will become more desirable upon the progress of the residential component. Additionally, we would propose that we work with the economic development experts within the City of St Petersburg to position the site to show the huge upside potential of the area in general. Domain Homes has the proper licensure and employee staff experiences to market and complete all of the vertical construction for any potential purchaser or lessee. We would also recommend that this site be a part of a recourse of some of the business incubation initiatives currently occurring in St Petersburg.

## Dedicated retail/office space for community needs.

This is an often-asked request. It lends itself much better, ultimately, to the building occupant. It is very difficult for a municipality or developer to dictate to an end user to provide space for community needs and in most cases, it becomes somewhat a temporary arrangement when provided to the community as the commercial/residential improvement becomes more fully occupied. Another idea may be that the South St Petersburg CRA be offered some space at some reduced market rate but that would require further exploration to execute and manage.



## Job creation and/or retention for the CRA and low to moderate income individuals.

Domain Homes currently works with almost entirely small business owners and their companies. Some of these businesses are designated MBE businesses as well. We would endeavor to search for additional local businesses located within the South St Petersburg CRA. Additionally, we would commit to two job fairs at the time of the commencement of the projects' vertical phase to bring our entire trade partners into the neighborhood and conduct a targeted job fair for this project. Additionally, in these scenarios, transportation is a very large issue so we would work to try to better understand how transportation could be stumbling block to immediate employment. We feel this is a better approach to this issue rather than offering job training. This is mostly since much of the job training relevant to the residential construction trade is not relevant or not integral to a successful hire. Our experience has told us for successful hires, there must be immediate job availability as well as most of the long-term success hires just simply get the majority of the training needed by the daily work activity. Additionally, the wage spectrum is generally much better than the service industry offers.

## Small Business Enterprise participation in the construction projects.

Domain Homes is 100% wholly owned by Ms. Sharon McSwain. She currently has a WMBE (Woman Minority Business Enterprise) certification with the City of Tampa as well as registered as a SBE with the SBA. She is an active full time participant in the day to day operation of the company and oversees 26 employees.

## Specific details about the development team and experience

The Domain Homes core team have a combined experience in the construction and development industry of over 167 years.

Founder and CEO Sharon McSwain is a successfully owned and operated Homebuilding companies in both Atlanta and Tampa markets since 1982.

Kevin Robles, Chief Operating Officer, Domain Homes, Inc has held an active Florida Residential Contractor's license continuously since 1981 as well as an active Florida Real Estate Salesperson and Brokers license since 1978. Kevin has completed over 5,000 homes under his direction and responsibility. Additionally, Kevin has managed and completed several commercial projects such as ThermoKing Tampa office, ITT Bakery, Speedling Corporation, Ruskin FL and Firestone and Econo Paint stores.

Jim Birkholz, President, Domain Homes, Inc has led homebuilding operations in St Petersburg, Tampa, Jacksonville, Sarasota, Venice, and Naples and has delivered over 3,000 homes in the state of Florida over the past 10 year with builders including CalAtlantic Homes, Standard Pacific Homes, and Mattamy Homes.

Jim McCarthy, Vice President of Land Acquisition has completed successful real estate acquisitions since 1986 acquiring and developing over 30000 residential lots. Jim was also was Director of Land Services at Carter USA Tampa office where he was the master developer of USF Technology Park, the FBI building in Tampa as well as the Duke Energy Headquarters in Downtown St Petersburg.

Sharon Gould, Director of Finance and Accounting has been a Division Manager for a large national homebuilding company as well as complete oversight of all aspects of the financial responsibilities including financial forecasting and budgeting.

## Utilizing developers that can demonstrate financial capability to construct the development

Domain Homes, Inc. has been an active successful Urban in-fill residential Homebuilder in the Tampa Bay area since 2010. Through December 31<sup>st</sup> 2019, Domain Homes has completed and sold 900 single family homes in this market. In the last full calendar year (2019) Domain Homes closed on the sale of 125 homes with an aggregate sales volume of approximately \$42.5 million. As of January 30, 2019, the Company has approximately 67 residential homes in inventory (complete or under construction) and an additional 87 residential lots on which construction has not commenced. As of January 30<sup>th</sup>, 2019, the Company has 26 employees. Domain Homes is fiscally conservative and has a less than 2 to 1 debt to equity ratio and has the financial strength and depth to make this project successful for Domain Homes, The City of St Petersburg, and its homeowner/stakeholders. Domain Homes will be happy to provide a confidential complete financial package.