

**LOAN AGREEMENT
BETWEEN
CEIBA REDEVELOPMENT LLLP AND
CITY OF TACOMA**

THIS AGREEMENT, made and entered into as of the _____ day of _____, 2025 ("Effective Date"), by and between the **CITY OF TACOMA**, a municipal corporation of the State of Washington (herein "City"), and **CEIBA REDEVELOPMENT LLLP**, a Washington state Limited Liability Limited Partnership (herein "Ceiba Redevelopment LLLP or Ceiba") (collectively "Parties");

In consideration of the mutual promises and obligations hereinafter set forth, the parties hereto agree as follows:

1. BACKGROUND.

Ceiba Redevelopment LLLP is a partnership between Urban Black Community Development, a Black-led, mission-driven real estate development company, and Great Expectations, an apartment developer based in Seattle.

The Ceiba Redevelopment Project ("Project") is a capital redevelopment initiative involving three properties between Market Street and St. Helens Avenue along 9th Avenue. The project is to preserve 78 units of affordable housing, establish cleaning and safety measures, and revitalize 8,500 square feet of street-front commercial space at a prominent intersection in Downtown Tacoma's Theatre District.

The Ceiba Redevelopment Commercial Program rehabilitates nine (9) street-front retail spaces, adding much needed inventory to Downtown Tacoma's commercial space inventory. Renovating these spaces generates economic activity.

2. CITY'S Loan and RESPONSIBILITIES.

The City agrees to loan Ceiba one million dollars (\$1,000,000) (the "Loan"). Pursuant to this loan agreement authorized by Tacoma City Council Resolution.

Terms of Loan. The City agrees to make, and CEIBA agrees to accept a loan in the amount hereafter stated ("Loan"), on the following terms and conditions, subject, however, to Borrower's compliance with, and satisfaction of each and every term and condition set forth herein, on or prior to the dates specified:

1.1 Loan Amount. One Million Dollars (\$1,000,000.00).

1.2 Term. Fifteen (15) year and 25-year amortization. 3-year deferral period to reflect the time spent renovating the building and leasing it up to stabilized occupancy.

1.3 Interest Rate. Simple interest shall be calculated at four percent (4%) per annum.

1.4 Late Fees. In the event that any payment is received by the City more than fifteen (15) days after the same is due, Borrower will be assessed a late charge of five

percent (5%) of the amount of such payment for each thirty (30) day period for which payment is overdue.

1.5 Monthly Payments. Beginning three years after the closing of the loan and continuing on the same day of each month immediately following thereafter until the obligations owing hereunder are paid in full, Borrower shall pay to the City principal and interest payments in the amount of \$5,701.81.

1.6 Final Payment. Fifteen years from the date of the closing of the Loan, all obligations of Borrower under the Loan, including principal, interest, late charges and other costs and fees, shall be due and payable. Unless otherwise determined by the City, all payments shall be applied first to late charges and other costs and fees, then to interest, and remainder to principal.

1.7 Prepayment. Borrower may prepay the Loan at any time without penalty.

3. CEIBA DEVELOPMENT LLLP's RESPONSIBILITIES AND CONSIDERATION TO THE CITY.

A. Purpose. Ceiba agrees that the Loan proceeds shall be used solely to pay for a portion of the Project outlined above, and as further described in paragraph 3.F below. CEIBA DEVELOPMENT LLLP must submit a project budget and evidence showing that the total project budget is accounted for from bona fide funding sources. CEIBA DEVELOPMENT LLLP must execute this loan agreement with the City of Tacoma prior to transfer of any City funds.

B. CEIBA will provide consideration to the City in terms of the following:

1. Commercial Affordability and Accessibility

Project brings 8,500 square feet of underutilized commercial space back online. Provide brick-and-mortar spaces for small businesses in a desirable location, increasing foot traffic in Downtown Tacoma, creating a more walkable neighborhood, and supporting Tacoma's business growth initiatives.

- **"Below-market" rents.** Most spaces are offered at \$18 PSF + NNN. Tacoma's average retail/office/restaurant leasing rates are \$20-25 + NNN per square foot.
- **Equitable Leasing Guidelines and Commercial-Mix Curation.** Our leasing guidelines are modeled after the Pike Place Market Preservation & Development Authority and Historical Commission guidelines within the Puget Sound Region to preserve the region's culture. These guidelines draw together a broad spectrum of people from all ethnic, national, economic, and social backgrounds.
- **Establish a Tenant Improvement ("TI") Fund** to offset startup costs and expenses for small businesses. Tenant improvements represent a significant barrier for small businesses, particularly minority-owned ones (e.g., DBEs and WMBEs), seeking to open or establish a brick-and-mortar

location. By creating this TI fund, we will alleviate costs and eliminate obstacles for minority-owned small business owners.

- **TI Technical Assistance.** Ceiba will provide hands-on and teamwork-minded personnel offer business development, construction support, and permitting assistance to busy small business owners who may need the extra help and resources – minimizing their costs and the “mental load” of opening a new business.

2. Economic Development: Job Creation & Economic Activity

The Ceiba Redevelopment Commercial Program adds nine (9) street-front retail spaces to Downtown Tacoma's commercial space inventory. Revitalizing these spaces will generate economic activity and create jobs and economic output.

3. Downtown Tacoma Revitalization

The project will work to revitalize a downtown Tacoma Theatre District city block by reactivating three historic properties. This effort will restore the appeal of a highly visible site nestled between Tacoma City Hall, Pantages Theatre, Urban Grace: The Downtown Church, Rialto Theatre, Tacoma Music Lab, Tacoma School of the Arts, and Opera Alley, bringing the Rialto Apartments, the Exley, and St. Helens Buildings back to life and restoring its historical appeal, significance, and aesthetic.

- C. Scope and schedule.** CEIBA Redevelopment LLLP will provide the City with a project scope, schedule and budget along with evidence showing that CEIBA Redevelopment LLLP has secured the entire amount necessary to deliver the project.
- D. Use of Loan proceeds.** CEIBA Redevelopment LLLP will only use the funding from this Agreement for the costs associated with the CEIBA Redevelopment Project. The funding will not be used for appraisals, legal fees, developer, fees, project management fees, salaries, operations, any soft costs, contingencies, and/or any other non-project related costs.
- E. Indemnification.**
CEIBA shall indemnify, defend, and hold harmless the CITY, its officials, officers, agents, employees, and volunteers, from any and all claims, demands, damages, lawsuits, liabilities, losses, liens, expenses and costs arising out of the subject matter of this Contract; provided that this provision shall not apply to the extent that damage or injury results from the sole negligence of the CITY, or its officers, agents, or employees. This indemnification shall extend to and include attorneys' fees and the cost of establishing the right of indemnification hereunder in favor of the CITY. This indemnification shall survive the termination of this Contract.
- F. Status reports.** CEIBA Redevelopment LLLP shall provide quarterly ongoing status reports to the City of Tacoma's Community and Economic Development Department including, project milestones, detailed project budgets, project schedules, any completion/opening dates, and any other information that the City may require.
- G. Invoices.** As part of the quarterly report, CEIBA Redevelopment LLLP shall provide the City of Tacoma with copies of paid invoices from contracted development

service providers and/or any other development project-related documentation.

H. Job creation reports. Once the project is complete and operational, CEIBA Redevelopment LLLP shall provide reports that show project outcomes including number of jobs created.

I. CEIBA Redevelopment LLLP will include City of Tacoma officials in any celebrations or grand opening events related to this project.

4. Conditions precedent to funding of Loan. City's obligation to make, and CEIBA's obligation to accept, the Loan are expressly conditioned upon CEIBA providing evidence that it has secured all funding necessary to complete the project, and any other information that may be required by the City. CEIBA shall notify the City once such funding has occurred.

5. PAYMENT.

After such evidence has been provided as described in paragraph 4 above, the City shall provide the full amount of the City's loan. Payment shall be made through the City's ordinary payment process and shall be considered timely if made within 30 days of receipt of a properly completed documentation. All payments shall be subject to adjustment for any amounts, upon audit or otherwise, determined to have been improperly documented.

6. DEFAULT AND REMEDIES

A. CEIBA Redevelopment LLLP's failure to keep, observe, or perform any of its duties or obligations under this Agreement shall be a default hereunder, including, without limitation, any of the following specific events:

1. The failure of CEIBA Redevelopment LLLP to substantially comply with all requirements listed in Section 3 of this Agreement.
2. The failure of CEIBA Redevelopment LLLP to comply with or to satisfy the indemnities set out in this Agreement.

B. Upon the happening of any of the above-described events, City shall notify CEIBA in writing of its purported breach, failure or act above described. An "Event of Default" shall occur hereunder if such breach, failure, or act is not cured within thirty (30) days from receipt of such notice (or if such failure cannot reasonably be cured within thirty (30) days, such cure is promptly commenced and diligently pursued to completion within ninety (90) days after notice of default from City. If an Event of Default shall occur, City shall have all cumulative rights and remedies under law or in equity, including but not limited to the following:

1. Damages, CEIBA Redevelopment LLLP shall be liable for all damages incurred by City including recovery of its investment, except that CEIBA Redevelopment LLLP shall not be liable for consequential damages incurred by City.

2. Specific Performance. City shall be entitled to specific performance of every obligation of CEIBA Redevelopment LLLP under this Agreement without any requirement to prove or establish that City does not have an Adequate remedy at law. CEIBA Redevelopment LLLP hereby waives the requirement of any such proof and acknowledges that City would not have an adequate remedy at law for CEIBA Redevelopment LLLP commission of an Event of Default hereunder.

3. Injunction. City shall be entitled to restrain, by injunction, the actual or threatened commission or attempt of an Event of Default and to obtain a judgment or order specifically prohibiting a violation or breach of this Agreement without, in either case, being required to prove or establish that City does not have an adequate remedy at law. CEIBA Redevelopment LLLP hereby waives the requirement of any such proof and acknowledges that City would not have an adequate remedy at law for the occurrence of an Event of Default hereunder.

7. NOTICES

Except for routine operational communications, which may be delivered personally or transmitted by electronic mail all notices required hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or mailed first-class mail, postage prepaid, to the parties at the following addresses:

CITY:	CEIBA Redevelopment LLLP:
Name: Debbie Bingham	Name:
Title: Economic Dev Manager	Title:
Address: 747 Market Street,	Address:
Rm 900, Tacoma WA 98402	Telephone No.:
Telephone No.: 253-591-5117	Email:
Email: dbingham@tacoma.gov	

8. MISCELLANEOUS PROVISIONS

Governing Law and Venue

Washington law shall govern the interpretation of this Contract. Pierce County shall be the venue of any mediation, arbitration, or litigation arising out of this Contract.

Assignment

The CONTRACTOR shall not assign, subcontract, delegate, or transfer any obligation, interest or claim to or under this Contract or for any of the compensation due hereunder without the prior written consent of the CITY.

No Third-Party Beneficiaries

This Contract shall be for the sole benefit of the parties hereto, and nothing contained herein shall create a contractual relationship with, or create a cause of action in favor of, a third party against either party hereto.

Waiver

A waiver or failure by either party to enforce any provision of this Contract shall not be construed as a continuing waiver of such provisions, nor shall the same constitute a waiver of any other provision of this Contract.

Severability and Survival

If any term, condition or provision of this Contract is declared void or unenforceable or limited in its application or effect, such event shall not affect any other provisions hereof and all other provisions shall remain fully enforceable. The provisions of this Contract, which by their sense and context are reasonably intended to survive the completion, expiration or cancellation of this Contract, shall survive termination of this Contract.

Entire Agreement

This Contract and the attached Exhibits and Appendices, as modified herein, contain the entire agreement between the parties as to the services to be rendered hereunder. All previous and contemporaneous agreements, representations or promises and conditions relating to the subject matter of this Contract are superseded hereby. The Parties hereto mutually acknowledge, understand and agree that the terms and conditions set forth herein shall control and prevail over any conflicting terms and conditions stated in any attachments hereto.

Modification

No modification or amendment of this Contract shall be effective unless set forth in a written and executed Amendment to this Contract.

IN WITNESS WHEREOF the parties hereto have accepted and executed this Agreement as of the Effective Date written above.

CEIBA REDEVELOPMENT, LLLP

_____, for
Great Expectations LLC, Governor

CITY OF TACOMA

Hyun Kim, Acting City Manager

Andrew Cherullo, Finance Director

Tanja Carter,
Community and Economic Development Director

Approved as to Form:

Debra E. Casparian, Deputy City Attorney

Attest:

Nicole Emery, City Clerk