



TO: Elizabeth Pauli, City Manager
FROM: Tanja Carter Director, Community and Economic Development Department
COPY: Economic Development Committee
PRESENTER: Debbie Bingham, Business and Economic Development Manager
SUBJECT: Briefing on Ceiba Redevelopment Project loan
DATE: June 24, 2025

PRESENTATION TYPE:

Request for Resolution

SUMMARY:

The Community and Economic Development Department will be bringing forward a resolution to City Council authorizing the execution of a loan agreement with CEIBA REDEVELOPMENT LLLP in the amount of \$1 million budgeted from Fund 1195 (UDAG) for a redevelopment initiative involving three properties between Market Street and St. Helens Avenue along 9th Avenue.

BACKGROUND:

Ceiba Redevelopment LLLP is a partnership between the Urban Black Community Development, a Black-led, mission-driven real estate development company and Great Expectations, an affordable apartment developer based in Seattle who recently completed their first apartment project in Tacoma called Cornus House, located at 26th and Pacific Avenue in the South end of downtown.

The Ceiba Redevelopment Project is a capital redevelopment initiative involving three properties between Market Street and St. Helens Avenue along 9th Avenue, which were purchased in September 2024 for \$6 million. The project goal is to preserve 78 units of affordable housing, renovate poorly maintained living units and common areas with new paint, flooring, appliances, and countertops, establish cleaning and safety measures, and improve the exterior facades. It will also revitalize 8,500 square feet of eight (8) street-front retail commercial spaces at this prominent intersection in Downtown Tacoma's Theatre District.

Bringing this underutilized commercial space back online will provide brick-and-mortar spaces for small businesses in a desirable location, increase foot traffic in Downtown Tacoma, and create a more walkable neighborhood. It will also support several of Tacoma's business growth initiatives including: commercial affordability and accessibility, job creation, economic activity, and Downtown Tacoma revitalization. Finally, the overall project will generate economic activity through construction efforts, including demolition, painting, flooring, mechanical, electrical, and plumbing upgrades.

The UDAG account (Fund 1195) is a strategic fund used to achieve defined economic development objectives included in the One Tacoma Plan and Economic Development five-year strategy. The account is comprised of repayments from historic HUD resources that were granted to the City and lent to the private sector for economic development activities. Previously funded projects included: the Murano Hotel, acquisition and redevelopment of Old City Hall, and construction of a University of Washington parking facility. All funding was structured as loans to be repaid to the CED UDAG account.

ISSUE:

CED is making an informational EDC presentation to answer any outstanding questions before bringing this project and its funding to the full Council for a resolution and approval.

FISCAL IMPACT:

There is no impact to the general fund. The funds are contained in a special fund.

Expenditures: Loan Issuance

Fund Number & Fund Name *	Cost Object (cc/wbs/order)	Cost Element/GL	Total Amount
1195 - UDAG	N/A	1810000	\$1,000,000
Total			\$1,000,000

Revenues: Loan Repayment

Funding Source	Cost Object (cc/wbs/order)	Cost Element/GL	Total Amount
1195 - UDAG	N/A	1810000	\$1,000,000
1195 - UDAG	852400	6012000	\$40,000
Total			\$1,040,000

ALTERNATIVES:

Council approves the resolution and CED will enter into a loan agreement, enabling the project to commence.

Council does not approve the resolution, and the project does not commence.

RECOMMENDATION:

Staff has reviewed the application using our Urban Development Action Grant (UDAG) Revolving Loan Fund Policy framework for UDAG funds and the project scored 93/100. The project also underwent a financial underwriting evaluation by an outside agency and their comments were that this project appears viable, and they recommend approval of the \$1,000,000.

Staff recommends the EDC committee approves CEDD taking the resolution to enter into the loan agreement to City Council for approval.