Museum of Glass UDAG Loan Agreement

Community and Economic Development

City Council Meeting
August 4, 2026
Resolution No. 41975

BACKGROUND

- Request: Authorize execution of a $1.25 million loan agreement with Museum of Glass.
- Funding source: Fund 1195, Urban Development Action Grant (UDAG).
- Purpose: Support eligible non-construction costs tied to the Museum's renovation and expansion project.
- Structure: Short-term bridge financing

ABOUT UDAG

The fund supports strategic economic and community development objectives

Loans are structured to be repaid back to the UDAG account for future use.

UDAG funds are historic HUD resources repaid to the City and administered as a revolving loan fund.

Prior funded projects include Hotel Murano, Old City Hall, UW Tacoma parking facility, and the 2025 CEIBA Redevelopment loan.

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MUSEUM & RENOVATION PROJECT

- Museum of Glass is a Tacoma-based 501(c)(3) nonprofit contemporary art museum at 1801 Dock Street.
- Opened in 2002; operates the West Coast’s largest and most active museum glass studio.
- Welcomes nearly 100,000 visitors annually.
- First major capital renovation in the Museum’s history, with an estimated total project cost of $22 million.
- Creates the approximately 4,000-square-foot Lino Tagliapietra Legacy Gallery to display 175 gifted works.

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FINANCING NEED

- $22 million total project cost; approximately $17 million in capital campaign commitments reported.
- Campaign includes state funding, private individuals, foundations, and additional pledges in pipeline.
- PNC Bank bridge loan will support construction costs and is secured by a portion of pledges.
- City UDAG loan supports non-construction components: exhibition furniture, fixtures, art installations, and related costs.

PUBLIC BENEFIT & STRATEGIC ALIGNMENT

- Preserves and improves a significant civic and cultural facility on the Thea Foss Waterway.
- Expands access to exhibitions, educational programming, and contemporary glass art.
- Supports Tacoma's visitor economy, cultural sector, downtown employment base, and regional visibility.

STAFF RECOMMENDS THE FOLLOWING

Staff recommends approval of the resolution authorizing a $1.25 million loan to Museum of Glass.

Loan terms: 24-month term, 9.00% flat fee of $112,500, no payments during the term, and balloon payment at maturity.

Final disbursement conditioned on satisfactory loan documentation, title and collateral review, confirmation of lien position, PNC confirmation, and City Attorney approval.

Fiscal impact to current biennial budget: $0; funds are already budgeted to be loaned.

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