

## BUSINESS LOAN PROGRAMS

The City of Tacoma Community and Economic Development Department (CEDD) presents the following financing programs as part of its efforts to support the Tacoma City Council's strategic goals:  
**SAFE, CLEAN AND ATTRACTIVE COMMUNITY - DIVERSE, PRODUCTIVE AND SUSTAINABLE ECONOMY - HIGH PERFORMING, OPEN AND ENGAGED GOVERNMENT**  
 These programs are designed primarily to provide gap financing, which is often used in combination with the borrower's equity and lending institution debt. Some of the loan programs may be combined.

	Business Façade Improvement Loan Program (TCRA Approval)	Fire Safety Loan Program (TCRA Approval)	Historic Rehabilitation & Repair Loan Program (TCRA Approval)	Grow America Fund (SBA 7a) (National Development Council Approval)	EDA – Title IX Revolving Loan Fund (Small Business RLF) (TCRA Approval) <sup>1</sup>
QUALIFIED BORROWER	Business owner/operator, property owner or developer	Business owner/operator, property owner or developer	Business owner/operator, property owner or developer	Business owner/operator, property owner or developer	Business owner/operator, property owner or developer
USE OF FUNDS	Commercial façade improvements to include items such as ingress, egress, lighting, signage, etc.	Commercial fire safety improvements approved by Tacoma Fire Department and not related to a change in use of the building.	Rehabilitation, repair or adaptive reuse of Tacoma buildings listed on Tacoma Register of Historic Places.	Acquisition of commercial land/ buildings, site/tenant improvements, purchase of machinery/ equipment, working capital, debt restructuring, soft costs	Acquisition of commercial land/ buildings, purchase of machinery/ equipment, site/tenant improvements, working capital, soft costs
FINANCING AMOUNT	\$5,000 to \$50,000	\$5,000 to \$50,000	\$20,000- \$100,000	\$100,000 - \$5 million	\$25,000 - \$300,000
JOB CREATION/ RETENTION	None	None	None	N/A	1 permanent full-time equivalent job for every \$100,000 borrowed
FINANCING STRUCTURE (% PROJECT COST)	50% of project costs, not to exceed \$50,000	50% of project costs, not to exceed \$50,000	50% of project costs, not to exceed \$100,000	Borrower equity: 0-30% Grow America Fund: 70-100%	Borrower equity: 10-30% 1 <sup>st</sup> Lender: approx. 37-80% EDA RLF: approx. 10-33%
PREVAILING WAGE	Not applicable	Not Applicable	Not Applicable	Not applicable	Applicable to on site/tenant improvements only
LOAN TERM, AMORTIZATION PERIOD	5-year term. Amortized up to 10 years.	5-year term. Amortized up to 10 years.	5-year term. Amortized up to 10 years.	Up to 25 years based on asset life; up to 10 years for working capital	Amortized up to 25 years based on asset life and up to 7 years for working capital—all with a 5-year call
INTEREST RATE	3% fixed	2% fixed	10-year U.S. Treasury Note plus 1%	Negotiated – range from somewhat below prime to prime + 2.75%	The lower of 4% or 75% of prime rate
FEES (% OF LOAN)	1% of loan plus closing costs	1% of loan plus closing costs	1% of loan plus closing costs	Variable guaranty fees plus closing costs	Non-refundable \$150 application fee, closing costs and 1% loan fee paid at closing
SECURITY	Collateral lender. Lien on fixed assets, personal guarantees from business owner(s) secure the loan.	Collateral lender. Lien on fixed assets, personal guarantees from business owner(s) secure the loan.	Collateral lender. Lien on fixed assets, personal guarantees from business owner(s) secure the loan.	Flexible (not a collateral lender); personal guarantees or liens on assets	Collateral lender. Lien on fixed assets, personal guarantees from business owner(s) secure the loan.
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<sup>1</sup>Additional Loan Program Requirements: Must meet EDA requirements, comply with Davis-Bacon Act prevailing wages, and conduct NEPA review.



City of Tacoma Community & Economic Development Services  
 Make It Happen - Make It Tacoma!  
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