

The rehabilitation and expansion of a historic mill on Tacoma's waterfront.

### PROJECT BASICS

Type:

**Real Estate – Residential/Office - Retail**

Total Development Cost:

**\$15.0 million**

LISC New Markets Tax Credit Allocation:

**\$10.9 million**

### PROJECT STAKEHOLDERS

LISC Program:

**Washington State LISC**

Investor:

**US Bank**

Sponsor/Developer:

**Heritage Properties**

Other Key Stakeholders:

**City of Tacoma, Foss Waterway Development Authority**

### COMMUNITY NEED

- **24% Poverty Rate**
- **Federal Renewal Community**
- **Brownfield Site**

### COMMUNITY IMPACT

- **10,220 sq. ft. of Commercial Space**
- **36 Residential Units**
- **107 Construction Jobs**
- **6 Permanent Jobs**

### Project Snapshot:

- Situated on the waterfront in downtown Tacoma, the Albers Mill project entailed the rehabilitation and expansion of a historic mill for residential and commercial use.
- The project has created a unique living opportunity by preserving the site's historic character and at the same time providing the functionality of a modern environment.
- The project consists of 10,220 sq. ft. of commercial space on the first floor for the William Traver Gallery (an international glass gallery from Seattle), its retail affiliate named the Vetri Gallery, and office space. The project's four upper floors contain 36 market-rate loft apartment units.



### Project Background:

- The project sits on a stretch of downtown waterfront known as the Thea Foss Waterway. Developed over 100 years ago as a bustling industrial area, the Waterway's western side which abuts downtown Tacoma gradually began to lose traditional tenants. By 1981, all that remained were vacant buildings and contaminated properties.
- In response, the City of Tacoma and the Metropolitan Park District purchased nearly 27 acres of property on the western side of the Thea Foss Waterway in 1991 to reclaim public access to the waterfront and transform it into a thriving residential, commercial, and recreational area. The master plan includes 1.5 miles of waterfront walkways, public event plazas, marinas, shops, and cultural centers.
- The Tacoma City Council created the Foss Waterway Development Authority in 1996 to market Waterway sites, including Albers Mill, for private redevelopment.

### Leveraging Solutions through New Markets Tax Credits (NMTC):

- As a new development in an unproven commercial market, the Albers Mill project faced obstacles to securing adequate financing under viable terms. Our program offered a timely way to leverage available financing and close the gap.
- \$10.9 million in NMTC allocation authority provided a custom product featuring a mix of equity and debt.
- The product's equity feature was used to capture federal Historic Tax Credits.
- Albers Mill is located near the Museum of Modern Art of Tacoma, the Tacoma campus of the University of Washington, and other Thea Foss Waterway projects including the Museum of Glass and the Bridge of Glass. By leveraging its proximity to these institutions and destinations, the mixed-use Albers Mill project serves as a catalyst both to attract additional tourism and to spur further redevelopment in the area.