

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA

REPORT TO THE COMMISSIONERS

DATE: APRIL 24, 2024

REGARDING: AUTHORIZING A LOAN UP TO \$75,000 FROM THE HRA BUSINESS ASSISTANCE FUND TO TKP, LLC DBA RUAM MIT, 367 WABASHA ST N DISTRICT 17, WARD 2

Requested Board Action

Approve a loan of up to \$75,000 to TKP, LLC dba Ruam Mit to provide working capital for the restaurant at 367 Wabasha St N.

Background

Ruam Mit first opened in downtown Saint Paul in 1989 on St. Peter Street. In 2018, Nia Rasavong, who had worked there for many years, purchased the restaurant with her husband Mark Khaopraseuth.

When their landlord on St. Peter Street announced plans to demolish their building, Nia and Mark found a new location at the HRA-owned Lawson Ramp in the former Dunn Brothers Space. Ruam Mit closed its doors in Summer 2023 and signed a lease for the new space at 367 Wabasha St. N. The space has been under construction since September 2023 and is slated to be completed in April or May 2024, pending MDH approval and City license issuance.

TKP, LLC dba Ruam Mit, is a Minnesota limited liability company owned jointly by Nia Rasavong and Mark Khaopraseuth (the “Borrower”). The Borrower has already spent \$418,835 in the build out and have maxed out their ability to secure capital through other sources. The Business Assistance Fund loan of up to \$75,000 will provide working capital to ensure they can pay their staff (approximately 15 returning and 6 new hires) and vendors. The Borrower has requested a \$75,000 loan to meet their cash flow gap for their start-up expenses.

Budget Action

This loan is funded from the fiscal year 2024 budgeted funds in the HRA Loan Enterprise – Business Assistance Fund (BAF) Program. No budget amendment is required. If this resolution is adopted, the balance in the program will be \$426,200.

Future Action

N/A

Financing Structure

For working capital, private financing totals \$109,349, including owner equity and private debt. Public financing totals \$75,000 from the proposed Business Assistance Fund loan. The proposed HRA Loan will have a 5-year term, with no principal or interest due for the first 12 months and fully amortizing over the remaining 48 months at a 3% interest rate.

Sources	
START UP EXPENSES (April-June 2024)	
Highland Bank Line of Credit	\$ 25,000.00
HRA BAF	\$ 75,000.00
Equity	\$ 84,349.00
Total	\$ 184,349.00
Uses	
START UP EXPENSES	
Payroll (\$30,000/month)	\$ 90,000.00
Inventory (\$30,000/month)	\$ 90,000.00
Licensing	\$ 4,349.00
Total	\$ 184,349.00
BAF uses and schedule	
Payroll/Inventory - month 1	\$ 25,000.00
Payroll/Inventory - month 3	\$ 25,000.00
Payroll/Inventory - month 6	\$ 25,000.00

PED Credit Committee Review

On April 10, 2024, the Credit Committee reviewed and approved the proposed Business Assistance Fund loan terms.

Compliance

VOP and AAEEEO will apply to the working capital project. The Minnesota Business Subsidy Law will apply, and annual reporting will be required.

Green/Sustainable Development

N/A

Environmental Impact Disclosure

N/A

Historic Preservation

N/A

Public Purpose/Comprehensive Plan Conformance:

The Ruam Mit project will support an existing minority- and woman-owned business in a previously vacant restaurant space in downtown Saint Paul that will serve residents, workers, and visitors. It will create jobs, including jobs available to low- and moderate-income people, support economic activity in a key commercial district, and help generate additional private investment in Saint Paul.

Recommendation:

The HRA Executive Director recommends approval of the resolution which authorizes a \$75,000 Business Assistance Fund loan to TKP, LLC.

Sponsored by:

Commissioner Noecker

Staff:

Rachael Weiker, 266.6571

Attachments

- **Map**
- **Public Purpose**
- **Neighborhood Profile**