

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

REPORT TO THE COMMISSIONERS

DATE: APRIL 27, 2022

REGARDING: RESOLUTION APPROVING AND AUTHORIZING \$25,000 IN HRA  
BUSINESS ASSISTANCE FUNDS TO LA NOIRE BRIDAL, LLC, 141 4<sup>TH</sup>  
STREET EAST, DISTRICT 17, WARD 2

## Requested Board Action

Approve a \$25,000 loan to La Noire Bridal, LLC for the purchase of inventory needed to open a new bridal shop located at 141 4<sup>th</sup> Street East, Suite 220.

## Background

Lorraine Love is opening a bridal shop located in a previously vacant space in the historic downtown Pioneer Endicott building. Ms. Love has tremendous experience as a wedding and event planner, and as a freelance hair and makeup artist. She will build on that experience to fulfill an unmet demand and open her own bridal shop, La Noire Bridal.

La Noire Bridal will offer a unique experience to the existing landscape of bridal shops in the greater Minneapolis-St. Paul metro area. Most bridal shops place focus on the traditional gown of American culture. The La Noire Bridal focus extends beyond the cultural norm, exploring attire that represents a variety of cultures as well as traditional American. La Noire Bridal's approach of serving diverse clientele was featured in the March 21<sup>st</sup> Star Tribune article, "[As weddings boom, diverse Twin Cities vendors connect to reach multicultural couples.](#)"

Significant investment has been made in La Noire Bridal, including construction, renovations, and outfitting the shop with décor and furnishings that make an immediate impression upon entering the space. The space will provide a special experience for brides and their family and friends and generate foot-traffic downtown. However, a financing gap remains. Ms. Love has reached out to several lenders and has secured a loan from the African Development Center, but she needs additional financing to purchase inventory to begin operations.

### **Budget Action**

This loan is funded from the fiscal year 2022 budgeted funds in the HRA Loan Enterprise – Business Assistance Program. No budget amendment is required. If this resolution is adopted, the balance in the program will be \$665,000.

### **Future Action**

N/A

### **Financing Structure**

The total start-up cost is \$111,678 and Ms. Love has invested \$18,678. The HRA Business Assistance Fund loan of \$25,000 is 22% of project costs and owner equity is 17%, meeting the targets and requirements in the Business Assistance Fund guidelines.

<b>USES</b>		<b>SOURCES</b>	
Construction/Renovation	\$ 31,000	Private Debt	\$ 50,000
Furnishings, Fixtures, and Equipment	\$ 29,750	Owner Equity	\$ 18,678
Start-up costs	\$ 50,928	Landlord contribution	\$ 15,000
		HRA Amortizing Loan	\$ 25,000
		Other Grants	\$ 3,000
<b>Total Uses</b>	<b>\$ 111,678</b>	<b>Total Sources</b>	<b>\$ 111,678</b>

The HRA loan will have an 8-year term, with no principal or interest due the first two years and fully amortizing over the remaining six years at a 3% interest rate.

### **PED Credit Committee Review**

The Credit Committee will review the proposed HRA Loan Enterprise Fund financing on April 26, 2022; staff will recommend a Risk Rating of Vulnerable.

### **Compliance**

Vendor Outreach Program compliance requirements apply to this project.

**Green/Sustainable Development**

The scope of the project and amount of public support are below the minimums required for Green Building Policy.

**Environmental Impact Disclosure**

The project does not generate environmental impacts.

**Historic Preservation**

The building is historically significant; construction has been completed following historic preservation guidelines.

**Public Purpose/Comprehensive Plan Conformance**

The Project, which is consistent with the Comprehensive Plan, will accomplish a number of public purposes, including:

- Create permanent jobs.
- Redevelop a vacant storefront adding commercial activities to downtown.
- Strengthen the tax base of Saint Paul.

**Recommendation:**

The Executive Director and staff recommend approval of the attached Resolution authorizing this loan to La Noire Bridal, LLC.

**Sponsored by:** Commissioner Noecker

**Staff:** Annie Byrne, 266-8567

**Attachments**

- Public Purpose