



Legislation Text

File #: RES 24-596, **Version:** 1

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

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") is a public body corporate and politic established pursuant to the provisions of Minnesota Statutes, Section 469.001, et seq. (the "Act"); and

WHEREAS, the HRA has the power to engage in development or redevelopment activities under Minnesota law and the HRA is authorized to engage in activities relating to (a) housing projects and development, (b) removal and prevention of the spread of conditions of blight or deterioration, (c) bringing substandard buildings and improvements into compliance with public standards, (d) disposition of land for private redevelopment, and (e) improving the tax base and the financial stability of the community, and to engage in the aforementioned activities when these needs cannot be met through reliance solely upon private initiative and which can also be undertaken in targeted neighborhoods; and is authorized to create redevelopment projects as defined in Minnesota Statutes, Section 469.002, Subdivision 14; and

WHEREAS, TKP, LLC dba Ruam Mit ("Ruam Mit") is a restaurant that has operated for over 30 years in downtown Saint Paul, and is moving to a previously vacant space located at 367 Wabasha St N, Saint Paul, Minnesota; and

WHEREAS, Ruam Mit requested a loan to support their working capital needs, including the purchase of inventory and payroll for returning and new employees (the "Project"); and

WHEREAS, Staff reviewed and evaluated Ruam Mit's request and prepared the Board Report attached to this Resolution, which provides a more detailed summary of the Project and proposed loan terms; and

WHEREAS, Ruam Mit is an eligible business because it is a for-profit business located in the City of Saint Paul, and has been unable to obtain other financing before submitting an application to the Business Assistance Fund; and

WHEREAS, the Project is an eligible use of the Business Assistance Fund because the loan will be used for working capital for the business to occupy a previously vacant retail space and add new jobs in downtown Saint Paul; and

WHEREAS, the total project financing will include more than 10% equity from Ruam Mit and less than the 50% of the total Project cost comes from the HRA and other City funding sources; and

WHEREAS, the Project meets all of the stated Business Assistance Fund program guidelines; and

WHEREAS, Staff recommends approval of a loan in the amount of \$75,000 to TKP, LLC dba Ruam Mit from the HRA Business Assistance Fund (the "Loan"), consistent with the loan terms articulated in the attached Board Report; and

WHEREAS, the HRA Board of Commissioners finds that there is a proper public purpose to approve the Loan and allocate HRA Business Assistance funds of up to \$75,000 for the Project, for the reasons articulated in the Board

Report and Public Purpose Summary accompanying this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota that:

1. The HRA hereby approves the Loan under the terms articulated in the Board Report accompanying this Resolution, with any additional terms and conditions as deemed necessary and appropriate by the HRA Executive Director and the City Attorney's Office.

2. The HRA Chair or Commissioner, the HRA Executive Director, and the City's Director of the Office of Financial Services are hereby authorized to execute the necessary documents in connection with the Loan, provided that such documents are acceptable in form and substance to the City Attorney's Office.

3. The HRA Executive Director, Staff, and City Attorney's Office are hereby authorized to take all other actions needed to implement this Resolution.

4. That this Resolution does not constitute a binding legal agreement; rather, the action taken herein shall not be effective until said documents are executed by the appropriate official(s) of the HRA.