

Ruam Mit Business Assistance Fund Request

HRA 4.17.24



SAINT PAUL
MINNESOTA

STPAUL.GOV



Background

- **Project Location:** 367 Wabasha St N
- **Borrower:** TKP, LLC dba Ruam Mit
- **Project Scope:** Working capital to support payroll and inventory expenses for the first 6 months of operation at their new location





About the borrower

- TKP, LLC dba Ruam Mit, is a Minnesota limited liability company owned jointly by Nia Rasavong and Mark Khaopraseuth (the “Borrower”).
- The Borrower was formed in 2018 to purchase the restaurant operating since 1989 under the name Ruam Mit.
- Ruam Mit closed its former location in summer 2023 and signed a lease for the new space at 367 Wabasha in September 2023. They have completed construction and plan to re-open in April 2024.





Loan Request

- **Request:** up to \$75,000
 - Loan will be disbursed in 3 installments of \$25,000 over the first 6 months. If the final installment is not needed, the HRA may return the funds to the BAF pool and amend the loan principal to \$50,000

- **Use of Funds:** working capital

- **Other sources of funds:**
 - Equity: \$84,000
 - Line of Credit: \$25,000

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



Proposed terms:

- **Term:** 5 years, 1 year deferred (*5-year term is in line with use for working capital*)
- **Rate:** 3% (*BAF standard rate*)
- **First Payment Date:** ~May 1, 2025
- The deferral period will give the business time to create sustainable cash flow before repayment begins



Additional Loan Details

- **Collateral:** Business assets and FFE, in second position
- **Compliance:** Prevailing wage, two-bid, VOP, AAEO, and Business Subsidy Reporting
- **Fees:** The borrower will pay a 1% closing fee for the loan amount, equal to \$750.
- **Risk Rating:** Vulnerable

