

STRATEGIC LEASING & MARKETING PLAN



PRESENTED BY:



CORPORATE REALTY

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STATEMENT OF OBJECTIVES

Corporate Realty is providing the following Strategic Leasing Plan for commercial tenant spaces managed by the French Market Corporation (FMC). The objective of this Strategic Plan is to review current tenancy and operations of the French Market Corporation, review the general French Quarter retail market, review comparable markets or shopping districts around the country, and use these findings to propose new best practices for marketing and leasing current and future vacancies that help achieve the organization's strategic goals while taking into account the unique historic and cultural significance of the district.

The goal of this Strategic Leasing Plan is to provide the French Market Corporation with both guidelines and a road map built on the McEnery Appraisal and Trepwise's Strategic Plan to help the FMC accomplish the following objectives:

- **Maximize the rental income stream** generated by the FMC's operation of the FMC's properties, known collectively as the French Market, including the ground floor commercial units in the Upper Pontalba Building, the Colonnade Buildings, Musical Legends Park, Oscar Dunn Park, and the Farmers Market.
 - While the Flea Market is an integral part of the FMC's assets, the daily vendors are neither a focus of this Strategic Plan nor Corporate Realty's assignment.
- Procure a combination of local, regional, and national tenants to attract both local and out-of-town visitors; **create a highly curated tenant mix** that is both reflective of New Orleans' culture and enhances this popular shopping destination.
- **Enhance the quality, image, and operation of the FMC's properties** to maximize their benefits to the French Quarter and to the City of New Orleans; this includes improving the visual image of each tenant.
- **Standardize and establish rules and regulations** and operating procedures for all FMC tenants.
- Create a **transparent, fair, and highly focused, proactive tenant procurement** and tenant retention process.

These objectives are more thoroughly discussed and detailed later in this plan.

This Strategic Plan will be reviewed by FMC's Executive Director and then presented by Corporate Realty and the Executive Director to the FMC Board for review, discussion, and adoption. Once approved, this Strategic Plan will be implemented by FMC and Corporate Realty for future leasing and marketing efforts.

PRIORITIES

LEASING

- Identify immediate leasing needs and opportunities:
 - There are a handful of existing vacancies and a number of tenants across the French Market portfolio that are on month-to-month leases.
 - There are other tenants with lease expirations in 2025 through mid-2026 that will be considered part of the initial leasing plan.
 - The remainder have terms and extensions that go for between 2 and 15 years.
- Provide written guidelines for all tenants:
 - Formally define operating and management criteria for existing tenants.
 - Establish guidelines based on operations and finances for renewing tenants who are currently on a month-to-month basis.
 - » Potential or suggested criteria includes current sales, financial capabilities, quality and variety of merchandise, ability to comply with guidelines, compatibility with desired tenant mix, and willingness to contribute to placemaking of the French Market.
- Market potential vacancies using traditional commercial methods:
 - Signage
 - Online listings
 - Direct outreach to local and national brokerages and the business community
 - Direct calls to targeted tenants; offer aggressive, creative lease terms to procure "anchor tenants"
 - Encourage offers and negotiations through Letter of Intent (LOI) format instead of RFP

STRATEGY

- Work with FMC leadership to address the following management and strategic needs:
 - Merchandising support (very important)
 - Business, branding, and wayfinding signage
 - Activation of FMC properties
 - » Develop strategies to incorporate tenants in seasonal offerings
 - » General marketing of FMC
 - » Retain marketing specialist
 - » Provide support with Marketing Resources, inclusive of website and social media
 - » Review security systems and implement new practices to enhance existing security (to encourage nighttime events and later hours of operation for commercial tenants)

OVERVIEW OF FMC REAL ESTATE

The FMC real estate asset consists of approximately 60 existing or potential commercial tenant spaces in five distinct areas.

- The **Upper Pontalba** commercial spaces are on the ground floor of the historic Upper Pontalba apartment building. The building faces a pedestrian walkway that runs from Decatur St. to Chartres St. along St. Peter St. The subject units are located proximate to several tourism drivers, namely St. Louis Cathedral, Moonwalk Riverfront Park, Woldenberg Park and Jackson Square. Total square footage is approximately 15,009 sf and there are, or could be, approximately 14 tenant spaces. This is a prominent part of the FMC's commercial portfolio.

The Fair Market Rent Study produced by the McEney Company estimates that a Fair Market Rent for these spaces is between \$50 and \$120 psf.



- The **Colonnade** consists of five separate structures running along Decatur Street. These begin on the 800 block across from Jackson Square to the 1000 block. The entire Colonnade contains approximately 54,848 sf with approximately 25 tenant spaces.

	<u>SF</u>	<u># Units</u>
Colonnade A	16,941	8
Colonnade B	5,589	7
Colonnade C	15,957	3
Colonnade D	11,833	6
Colonnade E	4,258	1

The majority of the tenants are local operators, with a handful of national tenants. There are a number of under-performing tenants, others that may not fit within the FMC's desired tenant mix, and certain tenants that are not adhering to FMC's operational or merchandising standards.

The Fair Market Rent Study produced by the McEnery Company estimates that a Fair Market Rent for these spaces ranges from building to building:

	<u>Market Rent/SF</u>
Colonnade A	\$65 to \$125 psf
Colonnade B	\$70 to \$130 psf
Colonnade C	\$30 to \$40 psf
Colonnade D	\$60 to \$125 psf
Colonnade E	\$20 to \$40 psf



- The **Farmers Market** runs between Decatur Street and the Mississippi River with its borders from Ursulines Avenue to Governor Nicholls Street. It operates as an open-air food court/retail mall with multiple vendors. This portion consists of approximately 23,090 sf within 10 interior/permanent stalls, three of which are vacant. Square footage is not the material issue with this portion of the project because the space is subdivided into stalls.

Most of the small bays in this open-air structure support hot-food operations and alcohol sales, while other bays provide for retail functions. Given the variations in spaces including sizes, restaurant capabilities, and the permitting for alcohol sales, it is to be expected that there will be significant variances in the rental rates.

The Fair Market Rent Study produced by the McEnery Company estimates that a Fair Market Rent for these spaces is between \$87 to \$217 psf.

- **Musical Legends Park** at 311 Bourbon Street consists of Café Beignet, a single tenant on a 5,632-sf site. This is a long-term tenant that provides a consistently popular product.

The base rental rate for this property equates to \$150,000; however, there is a percentage rent clause in place that requires 7% of the total gross revenue/sales over the \$150,000 base rent amount to be paid to the French Market Corporation.

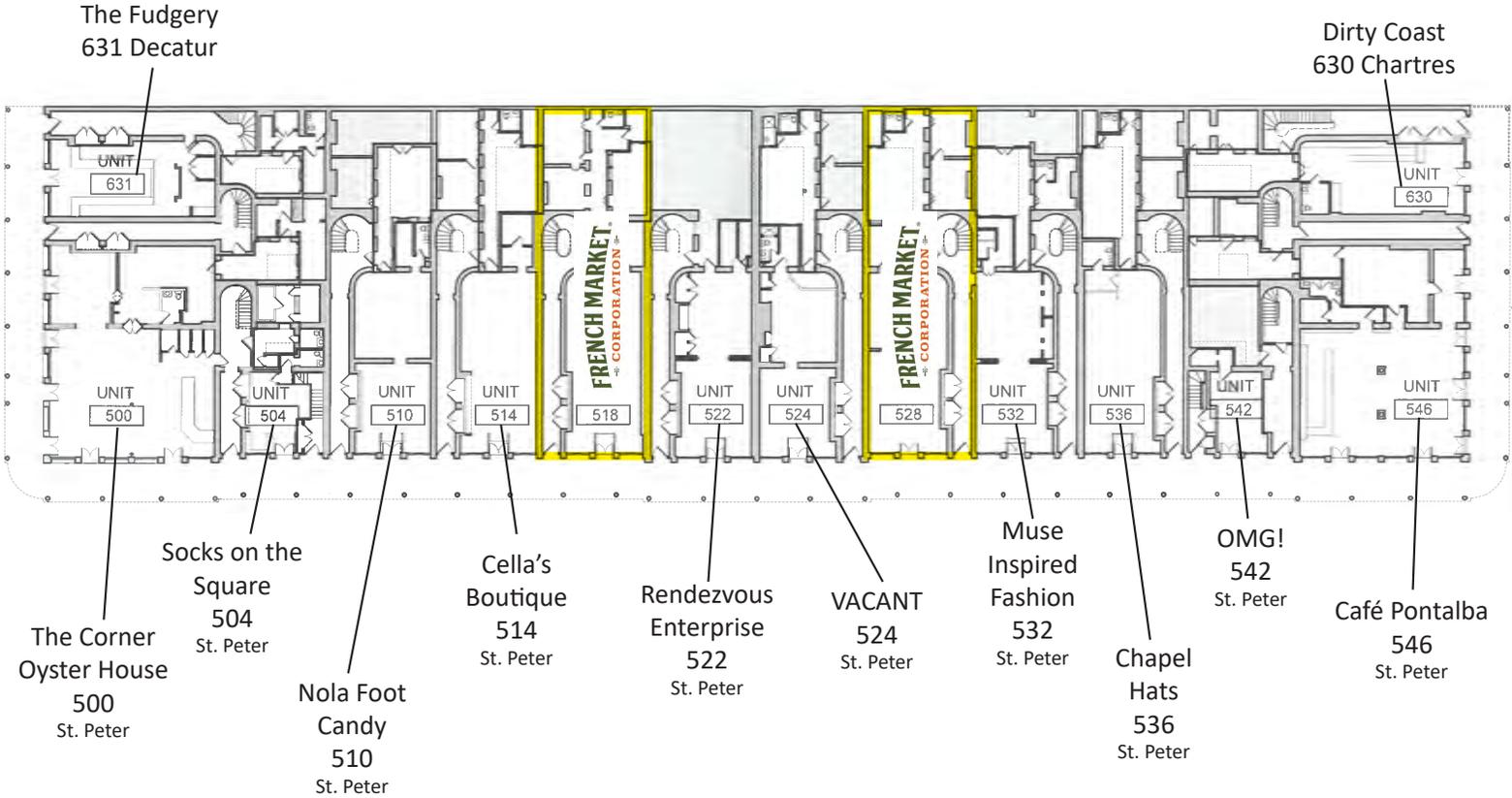
The Fair Market Rent Study produced by the McEnery Company estimates that a Fair Market Rent for this space is \$31.68 per sf land.

- **Oscar Dunn Park** (name changed from Washington Artillery Park in 2021) is located across from Jackson Square on Decatur Street. The three commercial units operate as stalls and/or indoor/outdoor spaces, but they are highly visible in a prominent location. There is room for improvement in terms of revenue, driving traffic, and overall quality of presentation from all three of these tenants.

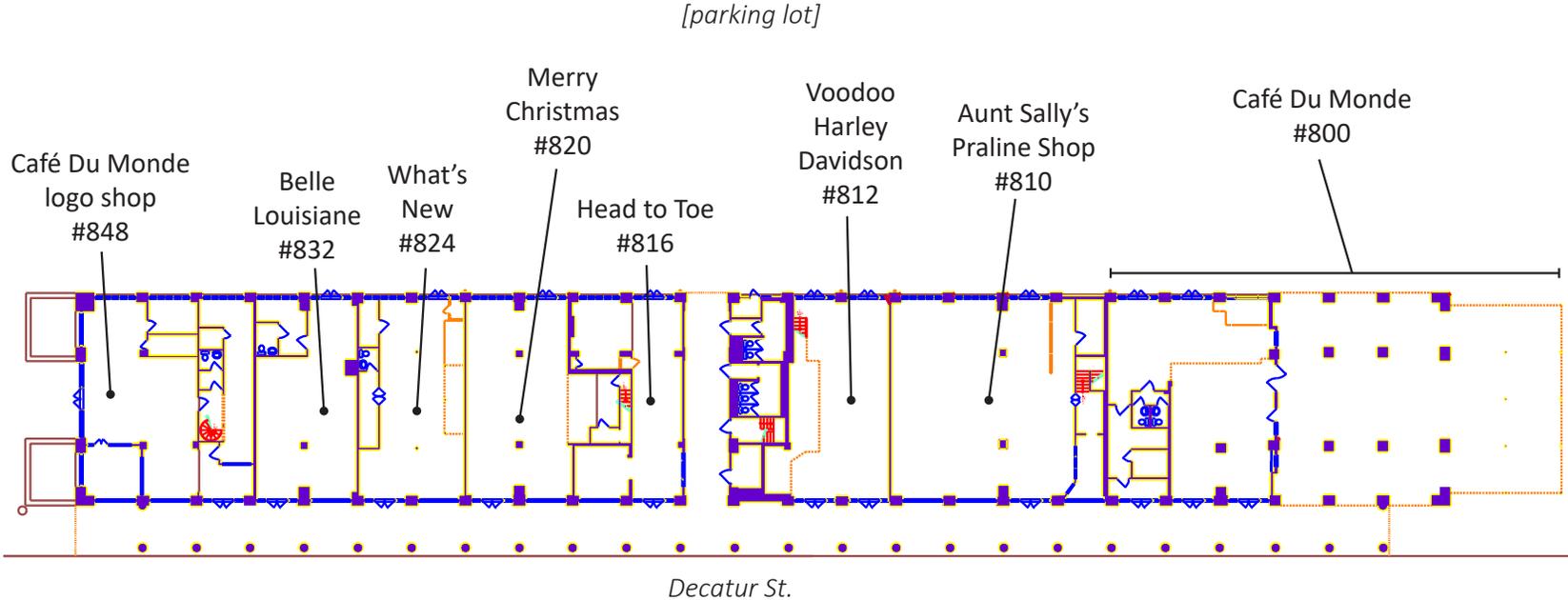
The Fair Market Rent Study produced by the McEnery Company estimates that a Fair Market Rent for these spaces ranges from \$100 psf to \$420 psf.

SITE PLANS

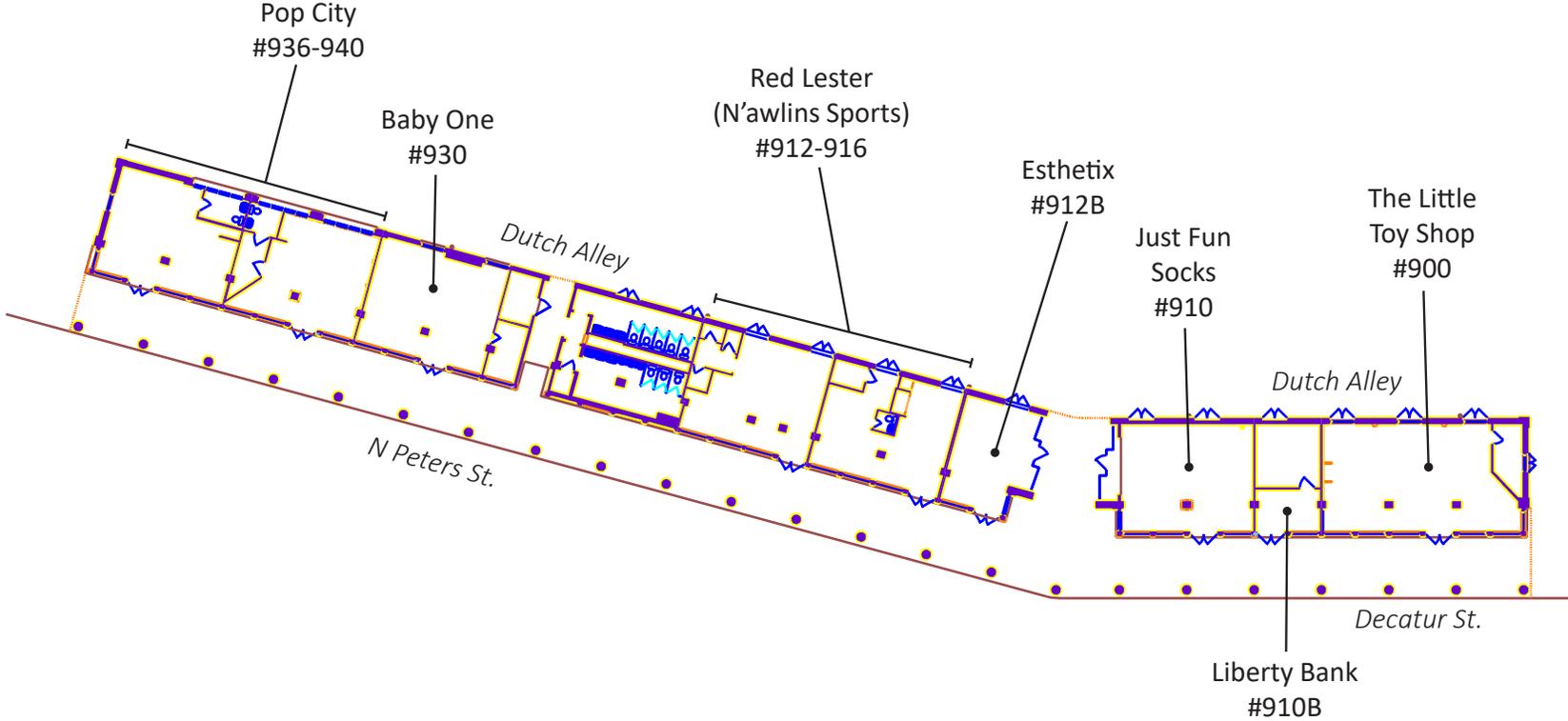
UPPER PONTALBA



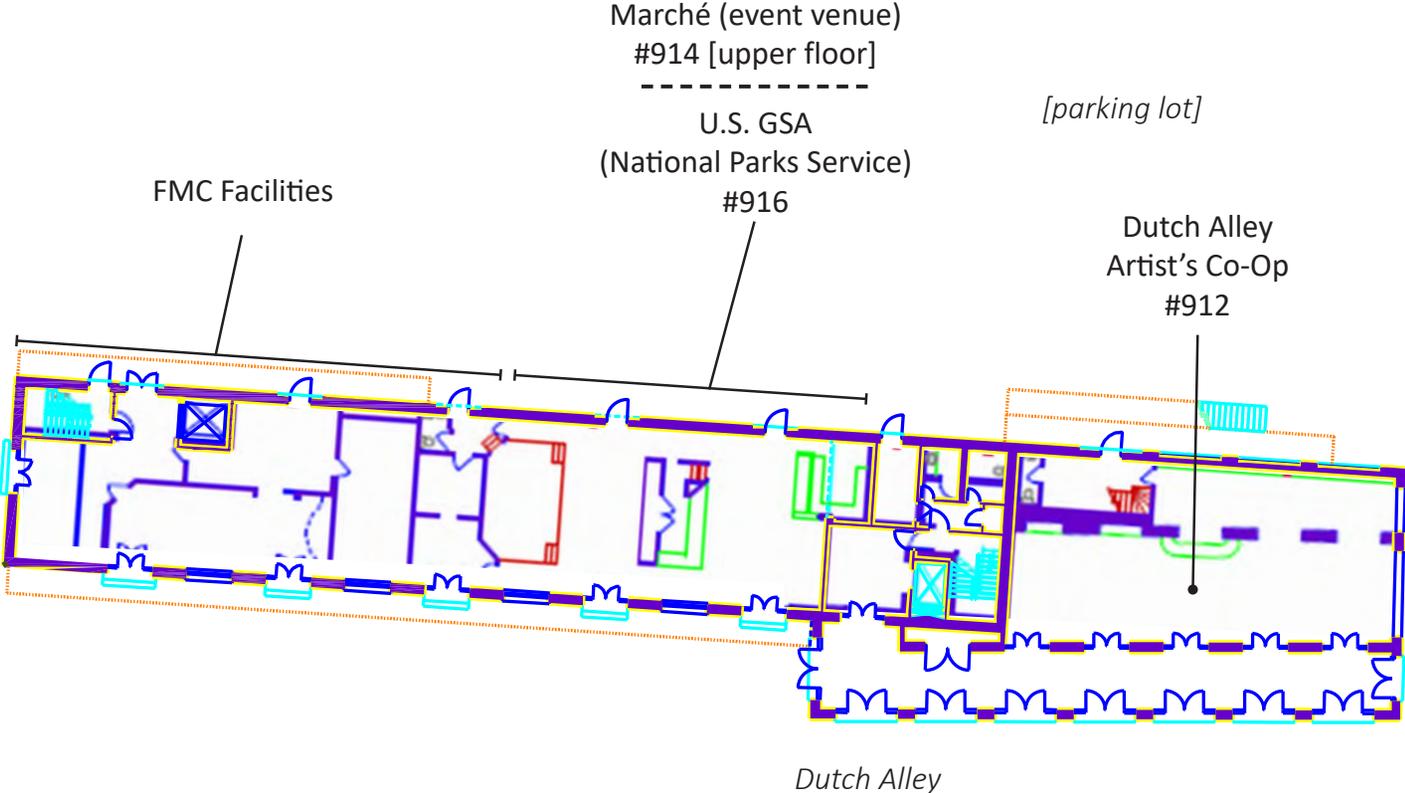
COLONNADE A



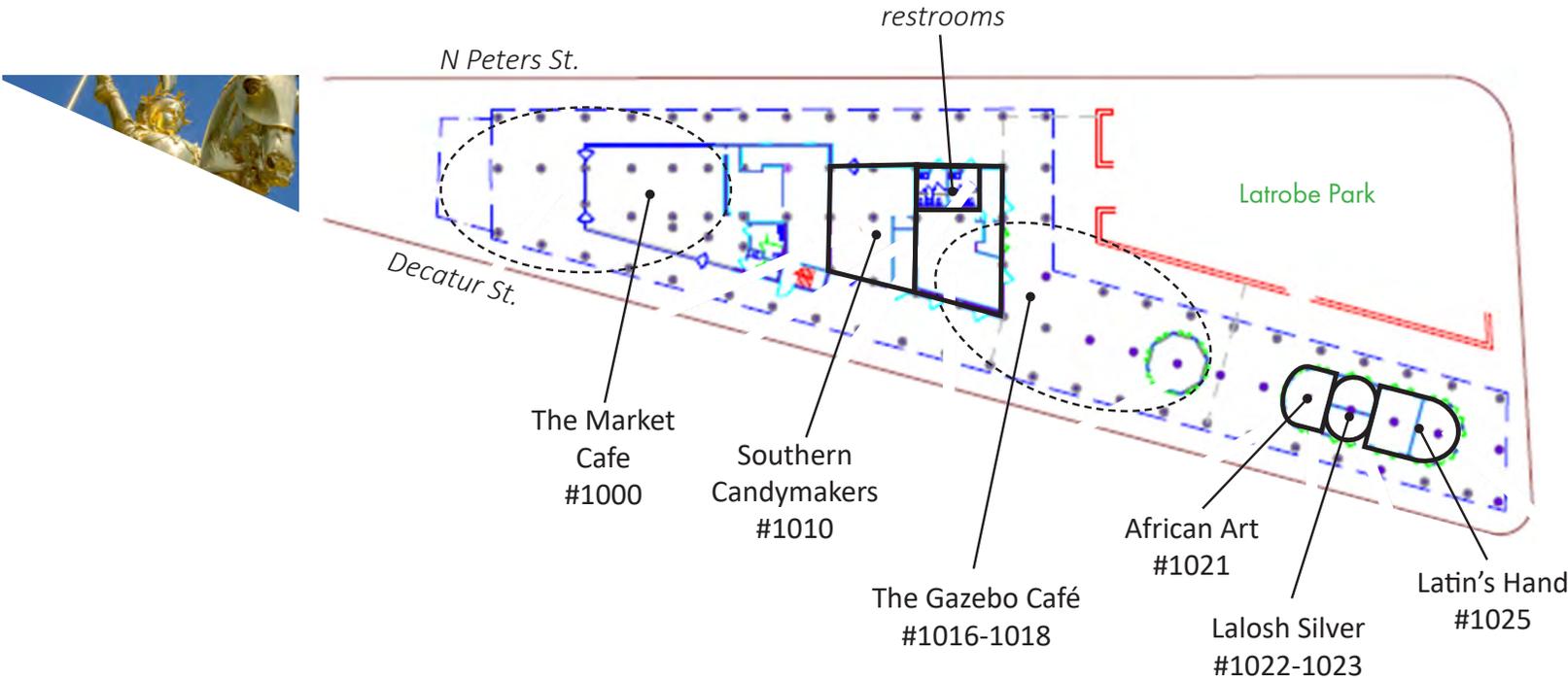
COLONNADE B



COLONNADE C

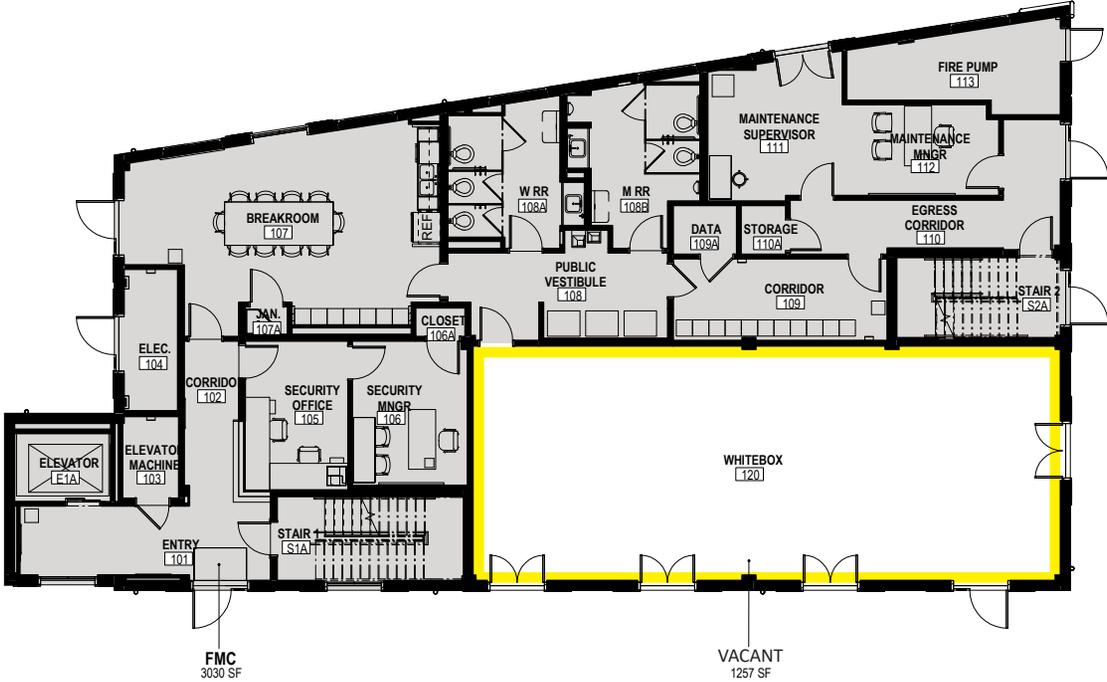


COLONNADE D

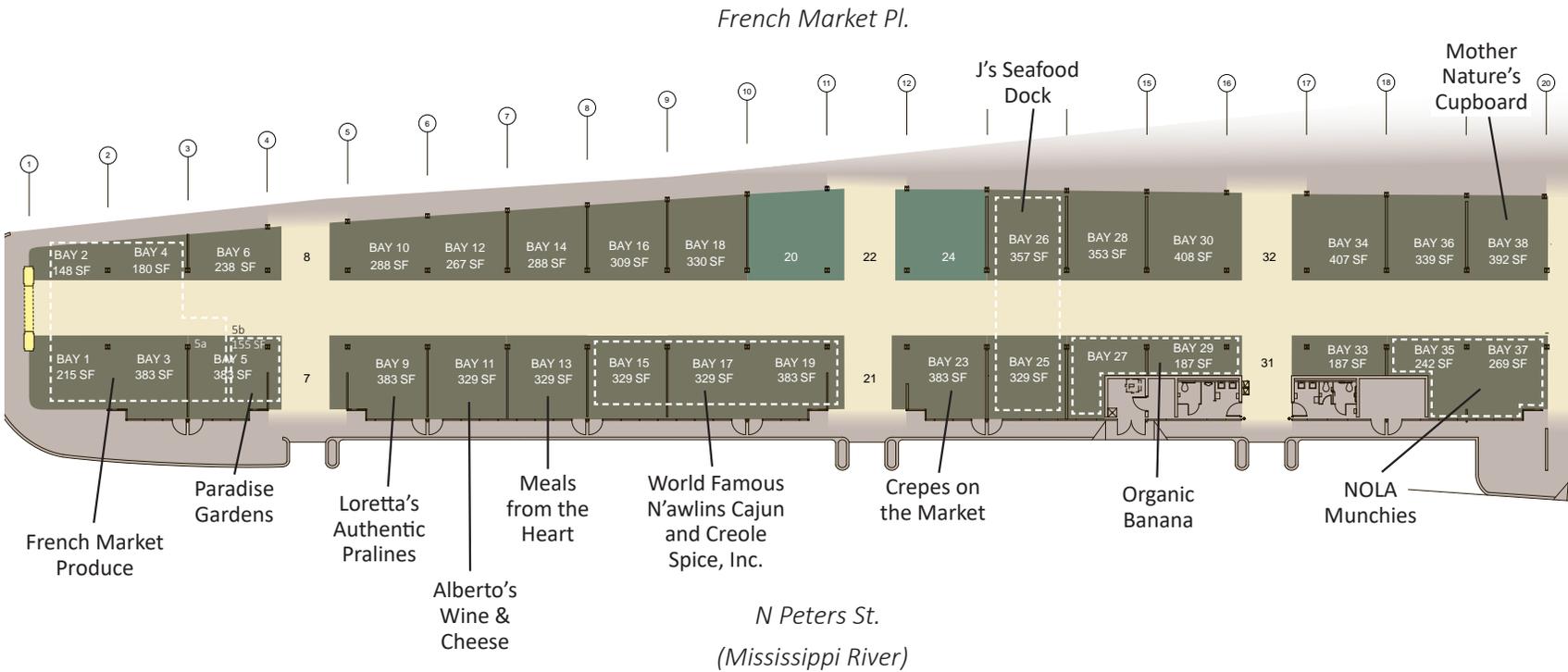


COLONNADE E

Floors 2 and 3 to be fully occupied by FMC

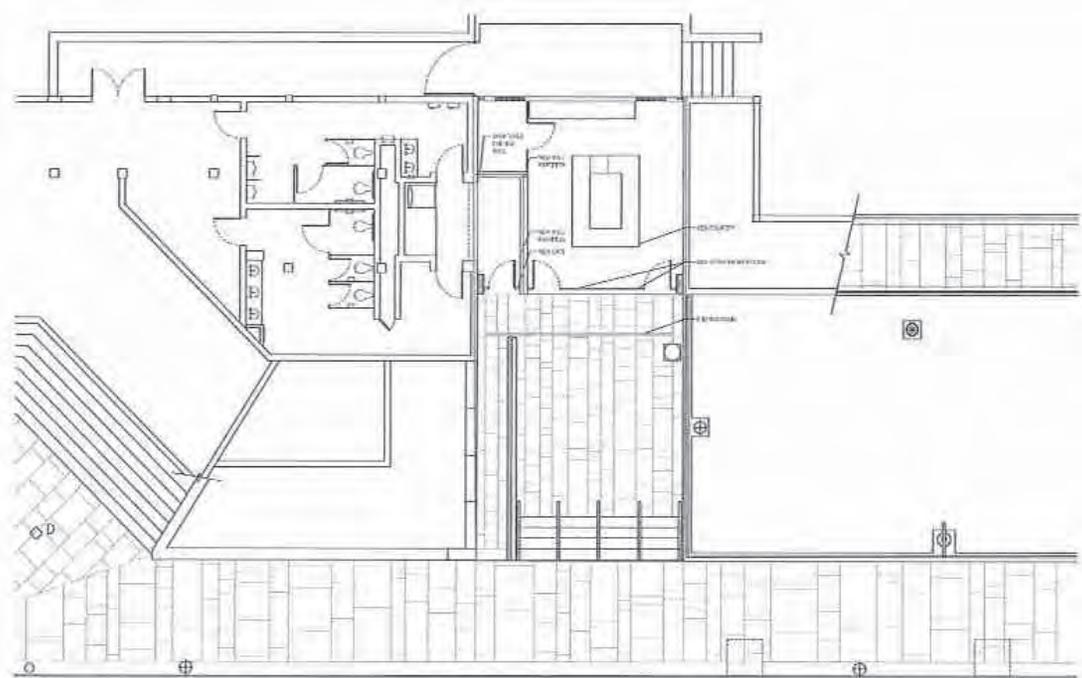


FARMERS MARKET



OSCAR DUNN PARK

(portion)



OVERVIEW OF LEASING GUIDELINES AND RESTRICTIONS

The upside potential of the FMC real estate assets, both in terms of generating revenue and enhancing the quality of life and the overall image of the French Quarter, is significant. These are exceptional real estate assets. While they stay relatively well leased and generate steady income for the FMC and the City of New Orleans, we believe there can be a substantial increase with a more **focused, proactive, curated, and targeted approach to procuring and retaining tenants**.

This effort is not just to increase rents, but also to bring in new tenants who better fulfill the FMC's broader mission of encouraging tourism and incubating and supporting small businesses.

FMC's historical approach to leasing, which relied on a very limited advertising of availabilities and then responding to inquiries, has worked in maintaining leasing occupancy. It has not resulted, however, in the maximization of revenue, quality, or image.

Corporate Realty will market the vacancies of the French Market in a more traditional, private sector manner with online listings, signage (when appropriate), and direct outreach. This includes employing a wide range of platforms and outreach to attract qualified tenants. Efforts will include:

- Creating marketing flyers that clearly outline the property and specific asking rates.
- Sharing marketing flyers and information on online commercial listing services such as LACDB (local) and CREXI (national).
- Distributing marketing flyers and related information to **specifically targeted tenants** and brokers.

- Offering brokerage commissions to outside brokers who represent qualified tenants.

Leasing will also follow a more traditional private sector approach with tenants encouraged to submit Letters of Intent (LOIs) as a starting point for commencing a negotiation instead of responding to RFPs or public bids.

With guidance from the Fair Market Rent Study produced by the McEnery Company on December 1, 2023, Corporate Realty will work with FMC to determine fair market rates for specific or anticipated vacancies as a part of establishing leasing guidelines. These rates will be publicly shared as asking rates.

It is important to note that the Fair Market Rent Study provided rental rate ranges as guides. Actual rental rates will be determined considering this information, but also taking into consideration other lease terms such as condition of the space, tenant improvement requirements, lease term, tenant credit, and other operational and financial considerations.

The rental rates may also vary from space to space within each location. Some factors that can affect rental rates are the location and condition of the space and what is required to bring it to operational standard. While smaller spaces generate less total rent per month, these monthly rents are based on a higher per square foot basis. We also propose and recommend flexibility in the established leasing guideline to procure key or anchor tenants that are important to create image and drive foot traffic to the overall FMC retail portfolio.

MARKETING PLAN

Corporate Realty's leasing effort will focus on targeting and procuring a tenant mix that will further enhance these destination real estate assets with curated retail experiences. Each location will be marketed and leased both as a standalone real estate asset and as part of the overall FMC portfolio. Our objective is to advance the mission of the FMC to generate **revenue for the city** and **encourage tourism** while incubating and supporting small business growth and profitability, particularly for those who create and sell goods and food that are locally made and that serve both tourists and locals alike. We will bring in retailers who will help foster the growth of tourism and the New Orleans economy through visitor traffic and vendor and commercial tenant sales, which will gradually increase the revenue generated from rent and from taxes.

Our goals are to:

- Focus on curating properties with quality tenants that enhance the culture, visitor experience, and ambiance of the French Quarter, benefiting both locals and visitors. Flexibility is key to achieving the right tenant mix, quality, and image, while still aggressively pursuing desirable tenants within the FMC portfolio.
- Enhance the desirability, image, and operations of FMC properties by implementing a plan to ensure consistency in tenants' storefronts, window displays, lighting, signage, and visual presentation and activities.
- Create consistent, fair, and enforceable lease provisions to help create a premier, desired shopping destination while addressing the current inconsistency in lease enforcement.

Targeting Specific Tenants

To fulfill this important mission, Corporate Realty will maximize rental income by improving the quality of tenants at the FMC properties. This means that we need to Identify operators who will:

- create destination retail outlets (including restaurants) that will attract visitors and locals,
- sell local and artisanal products that cannot be found anywhere else,
- maintain engaging storefronts and window displays that will capture the attention of consumers, and/or
- provide programming and events within their stores and support general FMC programming.

These operators will add to the culture, quality of life, visitor experience and overall ambiance/desirability of the FMC and French Quarter. This will make the French Market a more desirable place to do business, which will gradually lead to operators and neighboring businesses being able to generate more revenue and pay more rent.

Supporting Tenants and Prospects

Corporate Realty will also work with FMC to help the current tenants, who are able and willing (i) to improve their processes through the stricter enforcement of lease provisions related to hours of operation, entrances, trash, and other requirements; and (ii) to improve the visual look of their stores by offering merchandising support.

We recommend hiring a merchandising specialist to provide guidance relative to the storefronts, signage, and other exterior components and to work with each individual tenant/merchant on store layouts, merchandising displays, and other interior components. We will gather proposals from New Orleans-based specialists and assist in conducting interviews to decide whether to retain a merchandising specialist on a contract or hourly basis.

Corporate Realty will also work with FMC to promote and support all tenants to bring new attention to the French Market. Trepwise wrote in its Strategic Plan that “FMC spends a great deal on advertising, but this investment has not been effective at targeting locals. It will be essential to balance investment in target audiences to achieve marketing goals.” We believe that focusing marketing efforts on both current and new tenants can be the catalyst for capturing attention and drawing audiences. Ensuring potential customers are aware of offerings will drive traffic, and FMC, with Corporate Realty's support, should utilize different marketing platforms like social media to make other aware of what is available and happening. As an example, FMC can share social media posts by tenants.



Activating the French Market

As Trepwise highlighted in its Strategic Plan, successful public spaces share a common trait: **consistent activation**. This creates a sense of connection, making the space feel welcoming and familiar rather than just a collection of structures.

The French Market can be entry point into New Orleans by making the FMC retail assets the obvious destination for tourists and locals to experience New Orleans' sights, sounds, tastes, and hospitality at its fullest.

Activation can manifest itself in a number of ways including:

- Storytelling on-site
- Visual indicators that provide a cohesive guide to the French Market
- An easily accessible, well-maintained and consistent calendar of festivals and events

As a result, visitors will enjoy their French Market experience, leading to more visits and more expenditures. In turn, this will allow Corporate Realty and FMC to push for higher rental rates and better tenancy as operators learn that the FMC is a great place to do business.



Giving New Tenants a Runway for Success

It will be harder for new tenants to establish themselves if they are surrounded by shops that do not reflect the new goals of the FMC. Improving the tenant mix will take time and will require both immediate and sustained investments to attain long-term benefits. The FMC will need to be willing to consider aggressive, creative lease structures to provide a better runway for some of our newer prospects to launch successfully. These new structures can consist of shorter term leases and/or initial lower rental rates. Offering prospects this flexibility will help in offsetting the tenants' risk and allowing them to put more of their capital towards marketing and product.

Fairness and Transparency

Underlying everything in our proposed leasing strategy and guideline will be an emphasis on fairness and transparency.

Corporate Realty will establish guidelines for rental rates and other lease terms that will be publicly shared and easily understood to create a level playing field for all who are interested. Factors to be considered when selecting a tenant with whom to negotiate will include:

- Rent and related payments
- Financial capabilities
- Track record/experience
- Tenant mix
- Overall qualitative considerations

PLANS BY LOCATION

To drive traffic to all areas of the French Market, key strategies include maintaining high-quality merchants, branding the properties cohesively, enforcing merchandising standards, enhancing safety, and creating engaging venues. A dynamic social media presence is essential to highlight and share the unique qualities of the properties and entice visitors. Should LOIs not be adopted and the RFP process continues, this process needs to be streamlined and more accessible to reduce the barrier of entry. A targeted marketing strategy is necessary to attract the desired tenants and ensure that visitors experience, and are entertained by, the best of the French Quarter.

Upper Pontalba

The Upper Pontalba was originally a collection of 16 individual four-story row houses and is arguably one of the most historically significant buildings in the French Quarter. Through a major interior renovation in 1935, the improvements were interconnected, and the upper floors were converted into 50 individual apartments while the ground floor was divided into 14 commercial units. The property is situated on the St. Peter Street side of Jackson Square, with frontage along St. Peter Street, Chartres Street, and Decatur Street.

These retail spaces are located near major tourism draws, namely St. Louis Cathedral, the riverfront parks, and Jackson Square. For many visitors, the Upper Pontalba is the "front door" of the French Market properties. Consequently, they benefit from some of the highest foot traffic in the region—and this visibility should command the attention of tenants who place a premium on this foot traffic. The small and conventional nature of the retail spaces, with most measuring approximately 1,000 sf in a rectangular shape, supports a wide range of retailers and allows the FMC to be creative in selecting users such as boutiques, art galleries, general retail, or tourism-related operators.

Recommendations

- The retail surrounding the Square should complement the integrity of the property itself in offering vendors that provide the most curated yet reasonably priced one-of-a-kind shopping, like galleries and artisans' shops.
- Upcoming vacancies provide immediate opportunities to attract new tenants who will generate attention and draw an audience. We suggest targeting local visual artists with a following like Terrance Osborne, BMike Odums, Ashley Longshore, and Frank Relle. It will be important to bring in critical mass so that their audiences can build upon each other.

- FMC should pro-actively work with tenants to ensure they are optimizing signage and marketing efforts.
- FMC should work closely with the State of Louisiana, which owns the retail bays in the Lower Pontalba, to establish leasing guidelines and criteria that would benefit co-tenancy on both sides of Jackson Square.
- Restaurants on the corners need to upgrade their design and food quality to better capture the essence of the French Quarter. As opportunity allows, look to bring in high-profile local operators that generate a higher quality product and image, more visitors, and higher rents.

Colonnade

This property is adjacent to Jackson Square and anchored by Café Du Monde. Visitors come for these well-known landmarks, but we need to be more thoughtful in procuring additional tenants, especially anchor tenants, and attractions that will encourage visitors to explore the entire Colonnade.

The Colonnade consists of five separate buildings: Colonnade Building A, Colonnade Building B, Colonnade Building C, Colonnade Building D and Colonnade Building E. Building A is the closest to Jackson Square, while the other letters name the buildings that correspond to their subsequent orders down river from Jackson Square.

Recommendations for entire Colonnade

- **Signage, branding, and wayfinding** are crucial elements of unifying the identify of the Colonnade. The FMC should review and implement improvements to this regard.
- Tenants should provide quality merchandise that complement one another.
- FMC should take advantage of the physical spaces in the Colonnade that are suited for activation through events and other programming to bring in visitors.
- Public amenities in this area require a robust security presence so that store owners, employees, and visitors feel safe and comfortable at all times. FMC needs to continue monitoring and evaluating their security needs.

Colonnade Building A: The units are accessible from Decatur Street. The unit closest to Jackson Square is a café, while the other units are built out for general retail use.

Recommendation

- Review tenancy and activation of the endcap on the Dumaine side of Building A. This connects Building A with Buildings B and C as well as the Moonwalk, and this endcap has the potential to become an anchor space that engages the foot traffic. Preliminarily, we believe a restaurant would be an ideal anchor for this space.

Colonnade Building B: All units are built for general retail use and front Decatur Street. Colonnade building B also fronts Dutch Alley, which is a pedestrian corridor that is conducive to pedestrian foot traffic flows from the riverfront parks.

Recommendation

- Review tenant mix to ensure consistency among each building.
- Work with tenants to utilize the adjacent Dutch Alley space.
- Work with FMC to create programming to drive visitors to this area.

Colonnade Building C: The units have frontage on Dutch Alley, a pedestrian corridor that connects this building to the balance of the Colonnade retail development as well as to the park. The unit bearing the address 916 N. Peters St. is leased to the National Parks Service and is built out as an information center and museum. The unit bearing the address 912 N. Peters St. has the strongest visibility and is built out for retail use. The third unit spans two floors and is an event space with a commercial kitchen.

Recommendation

- The NPS occupies a crucial space in this building. If the NPS stays (or vacates), it (or a replacement tenant) needs to provide programming that activates the space as well as Dutch Alley.
- Work with Marche (event space/restaurant owner) on additional retail/food service concepts.

Colonnade Building D: The improvements consist of a 6-unit, 11,833-sf retail development. The building has a VCC blue rating, which means the property is of major architectural or historical significance. It was originally constructed as a vegetable market arcade. In addition to the rentable area, these units adjoin a public park, which serves as an overflow seating area and greenspace.

Recommendation

- The two restaurant spaces in this building create a lively atmosphere that draws traffic. FMC needs to continue to nurture and support this activity.
- Minor upgrades in lighting, signage, and streetscape should be considered.

Colonnade Building E: The improvements consist of a 3-story, 4,258-sf Class B multi-tenant office building located on N. Peters St. that is currently undergoing redevelopment.

Recommendation

- A strong rental tenant needs to be targeted and procured to anchor this end of the Colonnade. This should be a destination retailer to encourage traffic throughout the Colonnade. This will likely require an aggressive deal to build space and affect a desirable retail store.

French Market

The Farmers and Flea markets are open-air retail buildings that together create the French Market, a long and narrow structure that runs parallel to the Mississippi River and is a major tourist attraction for shopping in the Lower Quarter.

The Farmers Market layout includes 10 open-air retail space and built-in, permanent bays, some of which have commercial kitchens while others are used for general retail applications. Additionally, three of the bays are permitted to sell alcohol, which bolsters the tenant's revenue potential and the marketability of the rental space. This could be a central meeting place for New Orleanians who are always seeking opportunities to gather.

Recommendations

- The French Market will benefit from a regularly scheduled calendar of activities and events that are broadly advertised and regularly updated.
- The space could benefit from a cohesive theme that encompasses specifically curated retailers and food service providers. FMC needs to review the physical layout for better space planning.

Musical Legends Park

This small park on Bourbon Street is dedicated to the rich cultural and musical heritage of New Orleans. It includes life-size bronze statues of New Orleans musical legends and a series of commemorative displays, plaques, and artwork. The park is leased to Café Beignet which provides cold drinks, coffee, beignets, and other small snacks.

Recommendations

- Corporate Realty will help FMC establish market rates and lease terms for this special space, including drawing up a renewal lease for Café Beignet.

Oscar Dunn Park

This public park, situated on Decatur Street across from the historic Jackson Square, is a venue for performances, people watching, and taking iconic photos of St. Louis Cathedral. It contains three commercial units. Two retail units are situated below an exterior stairwell with glass store front windows and an exterior door with a sloped metal roof. The third retail unit is a free-standing ticket booth near Café Du Monde.

Recommendations

- The retail is often overlooked, so the space would benefit from a retailer with higher foot traffic that provides for immediate user needs. It has the potential to be a vital amenities provider for visitors to the French Market.
- Consider restaurant use for space currently occupied by Gallery Cayenne.

GENERAL MARKETING OPERATIONAL ISSUES

In reviewing current tenancy and operations of the FMC, Corporate Realty will also propose new best practices for marketing and leasing current and future vacancies that help achieve the organization's strategic goals while taking into account the unique historic and cultural significance of the district.

There are many ongoing marketing, leasing, and operational issues that will require further discussion and partnership with the FMC senior management.

We are highlighting these issues below as a part of setting a road map for future work together.

These issues include, but are not limited to:

- Installing consistent wayfinding and signage
- Determining appropriate rents by area (ongoing process)
- Developing consistent, fair, and enforceable lease provisions; review existing standard lease provisions and adjust to ensure consideration, fairness, and enforceability
- Discussing lease structure - gross/net/percentage rent
- Hiring a Merchandising Specialist (amenity or requirement; budget)
- Developing and implementing a cohesive Marketing and Communications Strategy that is consistently maintained
- Reviewing minimum hours of operation
- Reviewing security protocols and enhancements
- Limiting renewal options

This is an ongoing process, and we look forward to the partnership with FMC that will result in the enhancement of an iconic shopping destination that accomplishes the mission of the FMC.

FRENCH QUARTER HISTORY



The French Quarter stretches along the Mississippi River from Canal Street to Esplanade Avenue (13 blocks long) and from the Mississippi River to Rampart Street (10 blocks wide). The French Quarter is internationally known for its architecture, food, and entertainment. Design and construction guidelines are set by restrictive zoning and controlled by the Vieux Carré Commission (VCC). Although the French Quarter as a neighborhood starts at Canal Street, the VCC controls begin at Iberville Street. This neighborhood is one of the oldest areas of New Orleans, with the properties consisting of a highly desirable mixture of apartments, single-family residences, bed and breakfasts, retail, and commercial venues. There are approximately 4,600 households in the French Quarter.

The French Quarter is the only intact French Colonial and Spanish settlement remaining in the United States. It has been a continuous residential neighborhood since 1718, withstanding hurricanes, floods, fires, yellow fever epidemics, war, neglect, industrialization, and commercialization. The French Quarter has secured an important role in our nation's history and is a registered National Historic Landmark.



The Quarter is wider (from Canal Street to Esplanade Avenue) than it is deep (from the Mississippi River to Rampart Street). Decatur, Bourbon, and Royal streets are the primary streets running parallel to the Mississippi River through the width of the French Quarter; sections are often closed to motor vehicles. The main entrance to the Quarter is anchored by the One Canal Place office building at the corner of Canal Street and N. Peters Street, the only two-lane street in and out of the Quarter. Chartres Street is a secondary street, and there are four tertiary streets perpendicular to the Mississippi River for both vehicular and pedestrian traffic: St. Ann Street, St. Peter Street, Toulouse Street, and St. Louis Street.



The French Quarter can be considered as three different sub-markets: the **Upper Quarter**, between Canal Street and Jackson Square; the **Lower Quarter**, between Jackson Square and Esplanade Avenue; and **Jackson Square**. The landscape of these areas varies, with almost every other block having its own identity.



The Upper Quarter is best known for its commercial occupancy, larger hotels, retail properties and restaurants. Notable properties include Hotel Monteleone, Omni Royal Orleans, Royal Sonesta New Orleans, the three phases of Jax Brewery, Galatoire's, Brennan's, Antoine's, and Arnaud's. The Lower Quarter is primarily residential with a combination of single-family homes, bed and breakfasts, smaller hotels, and smaller multi-family structures.

The beacon of the French Quarter is Jackson Square, one of New Orleans' prime tourist attractions because of its central role in the city's history and central location within the French Quarter.

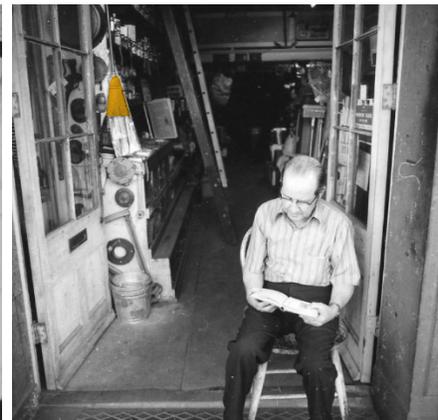


FRENCH QUARTER MARKET OVERVIEW

As one of America's most storied and iconic neighborhoods, the French Quarter is known for its history, architecture, culture, food, and entertainment venues. These businesses largely depend on the high level of tourists who come to New Orleans to enjoy, and rents and values are directly reflective of the demand for businesses to be prominently located and easily accessible for these tourists.

Following the Covid pandemic, the French Quarter has had an uneven return due to the lack of tourism, which has caused an increase in vacancies resulting in a 15-20% reduction in both rents and loss in values throughout the Quarter, the first seen in over 25 years. Although activity has picked up since the fourth quarter of 2024, we have not yet seen a correlating increase in values or rents. As the economy improves, the French Quarter should again demonstrate strong performance relative to sales and rental price escalations.

It is important to note that rents and sales values in the French Quarter vary greatly, block to block and street to street; there is no average price per square foot for the French Quarter. The immediate area around Jackson Square is prime real estate and consequently commands the highest rents. In general, the immediate blocks surrounding Jackson Square, from Decatur Street to Bourbon Street, are high, reducing the further away from Jackson Square. Rents are based on traffic, co-tenancy, and neighborhood character. Properties just a few blocks from one another may vary anywhere from \$35 psf to \$200 psf. Values depend on the size of the space, condition, and location, as well as the terms of the lease.



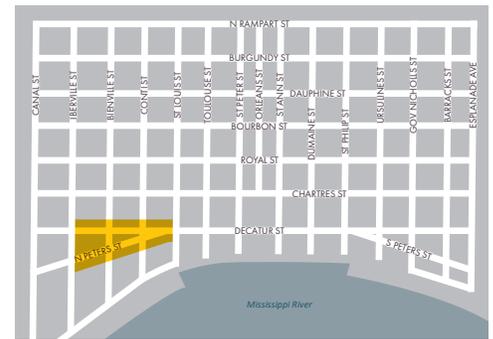
COMMERCIAL DISTRICTS OF THE FRENCH QUARTER

PRIMARY STREETS (PARALLEL TO THE RIVER)

200 N Peters Street-400 Decatur Street

These blocks begin where One Canal Place ends. These blocks are marked by heavy vehicular traffic, and it is the only street in the Quarter that starts as two lanes both in and out. While one side of the street is lined with retail, surface parking lots line the other. These lots provide a significant portion of the French Quarter parking so pedestrian and vehicular traffic is always significant. These lots provide a significant portion of the French Quarter parking so pedestrian and vehicular traffic is always significant. The retail offerings do not engage pedestrian traffic which seem to walk past and not shop.

- » Tenants: Local tenants, souvenir shops, and service providers
- » Rates: \$30 psf - \$40 psf



400-800 Decatur Street

This area covers Decatur Street from where N. Peters Street ends at the Bienville Monument in the triangle park at the corner of Conti Street to Dumaine Street. These few blocks are noted by national retail and souvenir shops.

- » Tenants: National brands such as H&M, Sephora, Urban Outfitters, Kilwins, and Landry's and local tenants such as Café Du Monde and Café Beignet
- » Rates: \$70 psf - \$110 psf



900-1300 Decatur Street

These blocks primarily consist of souvenir shops, dive bars, and restaurants. There are a couple of destination exceptions such as The Gazebo Café, Central Grocery, and Italian Barrel. Therefore, the average tourist will go to this area at least once but may not return on a regular basis during their visit.

- » Tenants: Gazebo Café, the former Tujague's, Christmas Quarters, Toast, Italian Barrel, Frank's, and Central Grocery
- » Rates: \$60 psf - \$80 psf



200-400 Royal Street

These few blocks of Royal Street are New Orleans' most visited luxury destination in the Quarter. They are anchored by the pristine Louisiana Supreme Courthouse and beautifully restored, historically significant architecture. Royal Street is a pedestrian mall filled with antique galleries, fine dining, vintage jewelry, art galleries, musicians, and high-end gift items. One of the most interesting characteristics of these blocks is that the footprints on the Rampart side of Royal are all quite large, typically 3,000 sf, as they were originally built as warehouses.

- » Tenants: Moss Antiques, Hotel Monteleone, Omni Royal Orleans, Latrobe's on Royal, Jack Sutton Fine Jewelry, Brennan's, Bevolo, and many more.
- » Rates: \$90 psf - \$110 psf



500-600 Royal Street

These are the main shopping blocks of Royal Street in quintessential French Quarter architecture, visitors can find high-end collectors' items, moderately priced galleries, gift items, and more.

- » Tenants: Forever NOLA (six locations within these two blocks,), Craig Tracy Gallery, Sutton Galleries, The Historic New Orleans Collection, Krewe, and M.S. Rau
- » Rates: \$90 psf - \$175 psf



700-1000 Royal Street

These are the last commercial blocks of Royal Street before the residential areas begin. As a result, the price points of merchandise, and the quality of hotels and restaurants are lower than found on Upper Royal Street.

- » Tenants: Fifi Mahoney, Harouni Gallery, Sassy Magick, Community Coffee, Vampire Café, and George Rodrigue Studios
- » Rates: \$60 psf - \$80 psf



200-800 Bourbon Street

Bourbon Street is internationally known for adult entertainment. The street is comprised of restaurants, bars, adult entertainment venues, and some hotels. There is a mix of operators, from established music venues to lower end establishments. Every visitor that comes to New Orleans visits Bourbon Street at least once to see what all the talk is about.

- » Tenants: Royal Sonesta Orleans, Galatoire's, Old Absinthe House, Rick's Cabaret, Cat's Meow, Tropical Isle, Pat O'Brien's Courtyard Restaurant, and Oz
- » Rates: \$100 psf - \$250 psf



SECONDARY STREET (PARALLEL TO THE RIVER BETWEEN DECATUR AND ROYAL)

200-600 Chartres Street

The development of May and Ellis apartment complex has encouraged commercial activity in these blocks. The 300-600 blocks of Chartres Street are primarily known for ladies' soft good retailers but also includes the Williams Research Center at The Historic New Orleans Collection, various restaurants/bars and retailers.

- » Tenants: Chart Room, former W New Orleans Hotel, Kingfish, Williams Research Center, the Hancock Whitney Bank, Hemline, UAL, Fleurty Girl, and Doris Metropolitan
- » Rates: \$50 psf - \$65 psf

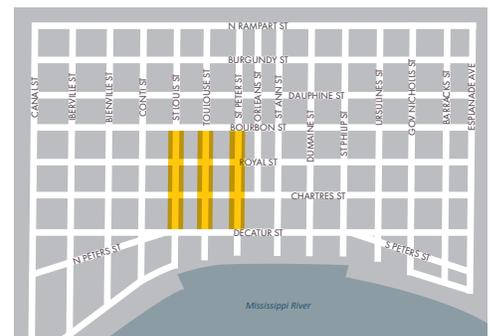


MAIN TERTIARY STREETS

500-700 blocks of St. Louis Street, St. Peter Street, St. Ann Street, Toulouse Street.

These streets are perpendicular to the Mississippi River and are quite important and active. These tertiary streets provide direct ingress and egress from the interstate. Most end at large surface parking lots adjacent to the River. The retailers and restaurants/bars on this street tend to pay less rent than users on the primary streets.

- » Tenants: Preservation Hall, Antoine's, Johnny's Po-Boys, Tableau, Southern Paw, and many others
- » Rates: \$35 psf - \$80 psf. Note: Higher rates are in the 700 blocks of each street, closer to Bourbon Street.



SIMILAR SHOPPING DISTRICTS

There are vibrant, mixed-use commercial areas that provide valuable insight into how to shape and sustain a successful, definable shopping destination through a dynamic tenant mix. These districts, which will be discussed following, demonstrate how curated retail, historic preservation, food culture, and local identity can be combined to create a strong sense of place and economic vitality.

Common Characteristics of Successful Urban Shopping Districts

- Local Business Incubation:** These districts prioritize small and locally owned businesses that reflect community character. Businesses feature specialty retail, independent restaurants, and artisan goods that are unavailable in typical malls or chain-driven centers.

Small, local businesses can generate more unique retail experiences and deepen community ties.
- Investment in Placemaking and Activation:** Programming like markets, performances, lighting installations, and street art plays a vital role in activating the area and cultivating a sense of continuous vibrancy. These elements draw foot traffic and encourage repeat visitation.
- Development of Dining Offerings:** Culinary tourism remains a core draw, and the most popular destinations in these districts are often the food and beverage providers. Visitors seek curated, distinctive dining experiences that provide more than just a meal; they also create memorable moments that reflect the local culture. These venues also enhance the overall visitor experience by providing comfortable spaces to relax, recharge, and extend the duration of their stay.
- Preservation of Historic and Cultural Anchors:** Many of these districts are built around preserved or repurposed historic structures that serve as visual and cultural anchors. This historical context and adaptive reuse contribute to a strong sense of authenticity that appeals to both residents and visitors.
- Defined Identity and Brand:** These areas have developed a clear, recognizable identity—whether arts-driven, boutique-focused, or culinary-centered—that differentiate them from conventional retail environments. Branding is often reinforced through cohesive signage, engaging street design, and lively event programming.
- Destination for Both Tourism + Local Foot Traffic:** The strongest shopping districts achieve a balance between tourist appeal and local relevance. They are not designed solely for tourists; they provide services and employment for local livelihood. Successful districts integrate food, retail, services, public gathering spaces, and residential units. This mixed-use nature creates a lively and safe environment year-round, not one that feels seasonal or temporary.

Creating a definable shopping district is more than clustering retail; it is about crafting an experience. Across the U.S., dynamic neighborhoods like Overton Square, 12South, Fatherland District, Broughton Street, and Adams Morgan illustrate best practices for a distinct, thriving, and destination-worthy urban district in the heart of New Orleans.

Overton Square - Memphis, TN

Overton Square in Midtown Memphis is a multi-block, dynamic shopping and entertainment district that blends local charm with urban vitality. It is a vibrant hub for shopping, dining, nightlife, and cultural experiences. There are five live performance theaters in addition to restaurants, retail, fitness, a boutique salon and spa, and an event venue.



Overton Square offers a variety of dining options that encompass a wide array of cuisines and price points. These include Lafayette’s Music Room, which features Southern cuisine and live music performances; Memphis Pizza Café, a local favorite serving gourmet pizzas, calzones, and salads; and Porch & Parlor, which offers prime steaks and chops in a Southern steakhouse setting.

Retail experiences include specialty shops, Breakaway Running, Delta Groove Yoga, and The Art Project, a place where kids can paint and make crafts while parents can visit. The live theaters cater to Ballet Memphis, theater, emerging artists, and movies.

12South - Nashville, TN

12South is one of Nashville’s trendiest neighborhoods and a shopping and dining destination. This vibrant and walkable half mile of 12th Avenue South is lined with small shops, artisan goods, and culinary hotspots and peppered throughout with dynamic murals.



Retailers range from a popular vintage shop to local boutiques that carry jewelry, clothing, and fragrance. A touch of star-studded celebrity prevails through Draper James, Reese Witherspoon’s flagship store that offers Southern-inspired women’s apparel and home goods, set against the backdrop of the iconic “I Believe in Nashville” mural, and Coopers 12South, an experiential store by Jockey and Luke Bryan that sells apparel from the Jockey Outdoors Collection.

The food and beverage offerings are mostly local, drawing residents as well as tourists for donuts, barbecue, cafes, and baked goods. As the district increases in popularity and real estate values increase, national brands like Jeni’s Splendid Ice Cream and Postino Wine Bar have opened.

Fatherland District - Nashville, TN

The Fatherland District, located in East Nashville near the vibrant Five Points area, is a shopping and dining destination that showcases the creativity and entrepreneurial spirit of the local community. It consists of The Shoppes on Fatherland, 1100 Fatherland, and Fatherland Corner.



There is a wide array of independently owned businesses including curated gift shops; antiques store; a used vinyl shop; Baxter Bailey & Company, a lifestyle store for dogs; Nancy B. Goods, a boutique offering women's clothing, jewelry, and handbags; Ellie Monster, which features vintage and western clothing and jewelry; and Gift Horse, an art-focused shop that offers a variety of paper goods, homes goods, and gifts. Dining options feature flavors ranging from biscuits and ice cream to sushi and burritos.

Broughton Street - Savannah, GA

In a city whose Historic District encourages the desire to walk along tree-lined streets that open onto elegant squares, Broughton Street is one of the most prominent walkable streets in Savannah. This bustling street blends Savannah's rich heritage with contemporary flair, running between eleven of Savannah's historic squares and featuring notable historic buildings. The shopping and entertainment corridor is just a few blocks long and features an eclectic mix of antique shops, thrift stores, local boutiques, and national retailers. From the Savannah Bee Company, featuring local honey, to 24e Design, which showcases high-end furniture with art and accessories and The Paris Market and Brocante, a design concept which combines vintage treasures with a café, this is a vibrant street that attracts both locals and tourists.



Broughton Street also hosts a selection of well-known national brands, including H&M, Urban Outfitters, J.Crew, and Lululemon, providing a comprehensive shopping experience. The national retailers tend to stay open later than the local shops, providing a perfect way to while away a day or make a quick errand stop. Other options to linger include destinations that serve coffee, pasties, tacos, pho, and salads, while cozy bistros are simply a few steps away on adjoining streets.

Adams Morgan - Washington, D.C.

Adams Morgan, located in Washington, D.C., is a colorful, eclectic neighborhood that provides a variety of cultural experiences. For one mile there are historic row houses, murals, and over 240 diverse restaurants and businesses, including independent stores, fitness studios, and lively entertainment venues.

Special destinations include the DC Arts Center, an art gallery and performance space; Lost City Books, which features rare volumes and best sellers; PLNTR for plants and home goods, and any of the live music spots, from karaoke to jazz. Adams Morgan's culinary scene is a global journey, with restaurants ranging from Afghan to Japanese cuisine. Jack Rose Dining Saloon offers more than 2,600 varieties of scotch, bourbon, and whiskey. The variety of bars also contribute to the enthusiastic nightlife.



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Jeanne Booth, Director of Property Management

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Austin Lavin, Leasing Agent (Corporate Realty)

Responsible, with Sydney Anderson, for day-to-day execution of Strategic Plan, specifically new tenant procurement and existing tenant lease renewals

Sydney Anderson, Leasing Agent (Corporate Realty)

Responsible, with Austin Lavin, for day-to-day execution of Strategic Plan, specifically new tenant procurement and existing tenant lease renewals

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