

**MINUTES**  
**FRENCH MARKET CORPORATION**  
**REAL ESTATE COMMITTEE MEETING**  
**Tuesday, March 12, 2024; 12:45 p.m.**  
**Union Passenger Terminal**  
**1001 Loyola Ave.**  
**New Orleans, LA 70113**

**CALL TO ORDER**

The meeting was called to order by the Chairperson, Mr. DeLong, at 12:53 p.m.

**ROLL CALL**

Members Present: Mr. DeLong, Ms. Burns, and Ms. McClendon

Staff Present: Ms. Alley, Mr. Gurtner, Ms. Watson, Mr. Ross, and Ms. Robison

Mr. DeLong proposed a motion to re-order the agenda to reflect that D. New Business #2 would be first, followed by D. New Business #1; then C. Old Business #1.

Ms. Burns moved and Ms. McClendon seconded a motion to re-order the agenda to reflect that D. New Business #2 would be first after the adoption of the minutes, followed by D. New Business #1; then C. Old Business #1. The motion carried unanimously.

Ms. Alley reported that two (2) presenters did not make the agenda. She requested that the Committee gives them the opportunity to present. She also requested that the Committee add two (2) items to C. New Business #1: Consideration: New Tenant Proposals for Farmers Market Stalls – 1100 N. Peter Street, NOLA 70116 - Bays 33, 35 & 37 to reflect:

- Sweets & More
- Johnny's Jamaican Grill

Ms. Burns moved and Ms. McClendon seconded a motion to add Sweets & More as the third item and Johnny's Jamaican Grill as the fourth item under C. New Business #1. Consideration: New Tenant Proposals for Farmers Market Stalls – 1100 N. Peter Street, NOLA 70116 - Bays 33, 35 & 37. The motion carried unanimously.

**A. REVIEW AND ADOPTION OF MINUTES – November 28, 2023.**

Ms. Burns moved and Ms. McClendon seconded a motion to accept the minutes of the November 28, 2023 Real Estate Committee meeting. The motion carried unanimously.

**B. PUBLIC COMMENTS**

Public comments were acknowledged when each agenda item was discussed.

**C. NEW BUSINESS**

1. Consideration: New Tenant Proposals for Farmers Market Stalls – 1100 N. Peter Street, NOLA 70116 - Bays 33, 35 & 37

- 2 Brothers Taqueria – Mexican Restaurant
- Helens House – Bread Fo Tha Soul
- Hubbard Put a Shirt on LLC
- Sweets & More
- Johnny’s Jamaican Grill

Ms. Alley reported that the French Market Corporation issued a Request for Proposal (RFP) for the Lease of approximately 698 sq. ft. of prime commercial real estate space at 1101 N. Peters St. – Bays 33, 35, & 37 in the Farmers Market. A current tenant had those spaces, as well as a space that was like an island out in the middle of the Market. Due to family issues, the Tenant asked to consolidate their space to just the island; therefore, we put their other spaces up for lease.

The FMC received five (5) proposals and each business will make a presentation to the Committee. The Committee was not on a deadline to make a decision, but ultimately the FMC would like to end up with a determination of who will be the next Tenant in the space.

Ms. Angelica Becerril (Owner) **2 Brothers Taqueria** presented her proposal, stating that her concept is to bring a piece of Mexico to the Market through a taco stand and would like to show Mexican culture. She serves tacos, burritos, tortas, and quesadillas with several choices of meat, e.g. shrimp, alligator, birria, etc. She opened her restaurant on the Westbank two (2) years ago, after Hurricane Ida, and it was very well received. The restaurant has excellent reviews.

She also sells Mexican artwork in the Market. Her idea for bringing her restaurant to the Market is to showcase her art and her food. As a taco stand, the space would not necessarily serve as a restaurant with heavy cooking. They would prepare everything at their restaurant and bring it to the Market for assembly.

2 Brothers Taqueria would take cash, cards, Venmo, Cash App, and other convenient forms of payment. They will be open seven (7) days a week.

(Representative) **Helen’s House of Bread Fo Tha Soul** presented their proposal stating that aesthetically, he would update the windows by putting ovens in place so that people can see bread and pizza being baked so that people can see the items being made from scratch.

He moved to New Orleans in 2006 and he was inspired when he went to a Farmer’s Market and had a taste of bread from a vendor. When he ate the bread it felt like it was the first time in his life he had bread. He became fascinated by the scent. He did research on bread and within a month he became a vendor in the Sankofa Farmer’s Market in the 9<sup>th</sup> Ward. He had ten (10) breads and sold them all within fifteen (15) minutes and walked away with \$80.

He would give out samples of his bread in order to get people to eat it, so that they can see that it is the best bread they ever tasted. His best-selling bread is his sweet potato bread, which comes from a sweet potato pie recipe and tastes just like the pie.

He sells jalapeno & cheddar, crawfish, brioches, king cake, and pizza breads. He would do a mainly breakfast and lunch menu. He also does salads and burgers from time to time. Having the lengthy space would allow him to expand and do all of the things he knows how to do.

He would have people see the items created from start to finish. He would showcase molding the breads, twirling the dough, and putting the food in the oven. He would show the entire process.

It could be good for kids to observe and have a learning experience. It would tie into the French Market's old history, which isn't present in the current Market.

Mr. Darrin Hubbard (Owner) **Hubbard Put a Shirt On** said he began his business walking along second line routes without a shirt on prior to getting his truck. As he was walking people would yell, "Hubbard, put a shirt on." He took the energy from the people and named his business Hubbard Put a Shirt On. He also has Hubbard Cups. He can be found at second lines, NORD parks, other NORD events, and other events. He will can go to where people are. The city knows their business from their food.

The space would be great for the "food" side of their business. The Hubbard Cups, which is something he created, beats "icebergs," "huckabucks," "frozen cups," etc., using his special formula. His flavors consist of cherry, watermelon, lemon, grape, and blue raspberry. The cups start out hard, but as the ice melts, the cups turn into a slushy consistency like snowballs and can be eaten with a spoon.

As far as the food, they serve steaks, hamburgers, shrimp, fish, nachos, hot dogs, hot sausage, "Double D" smoked sausage, etc. People look for their business, and if people know that they are in the French Market, people will come to where they are. They are very well-known in this city. He thanked the Committee for the opportunity to present.

Nala (representative) **Sweets & More** stated that their menu consists of waffles, crepes, and acai bowls, milkshakes, smoothies, and banana splits. All of their ingredients are fresh. They will also do fresh pizza. They will bring high traffic to the area. They will pay the rent via direct deposit and six (6) months in advance. Their company is from Italy and their concept is new and fresh.

Carla (Marketing Coordinator) stated that the Market needs more fresh items and their acai bowls would add something fresh to the Market. She believes that their items would complement the snowball stand very well. She understands that the FMC is trying to bring in more families, and as a person who has done a lot of marketing for events that happen in the Market, this business is attractive for bringing people into the Market. When there are events, Sweets & More can be a part of throwing events at the Market to bring in an influx of people. Their business model brings in a lot of business and the food is fantastic and fresh.

They will provide pricing based on the cost of the space. They will do two (2) concepts because that is easier for them. This will make the price not as high as having one (1) store. They will work on providing healthier options, such as sugar free whipped cream, etc.

Gentleman (representative) stated that Nala owns five (5) businesses, one of which is a national chain of Cricket stores. She also owns five (5) furniture stores and two-hundred (200) Cricket locations and three (3) other businesses. With the food that they are providing, the FMC will not have to worry about Sweets & More having a bad month in July. Sweets & More has enough financial stability to get through any hard times, which is important.

*The Committee called **Johnny's Jamaican Grill** to present, but there were no representatives.*

Ms. Alley stated that the FMC is mostly looking for something unique and that doesn't duplicate anything someone else is doing. Each of the proposals had a tiny bit of crossover, with the

exception of the Mexican food. Although the other businesses serve food that current tenants serve, their menus are not dominated by those items. We want to make sure the menus are full and that they fit the people who walk through the Market, the food is easy to eat, the items are attractive, and that they provide something to the FMC.

Food service is the FMC's highest revenue-generating retail; but it is also the toughest on our infrastructure because of the electrical, grease traps, etc.

Mr. DeLong asked for more time to deliberate and to hold the decision over until the Committee meets again within the next thirty (30) days.

Ms. Burns moved and Ms. McClendon seconded a motion to defer the matter until the next Committee meeting within thirty (30) days. The motion carried unanimously.

#### **D. Presentation: Elysian Fields Parking Lot Study Update – trepWise, LLC**

Jacklyn Cook and Lauren Siegel presented an update on what the recent engagement they had been working on over the past few months had been about. There were two (2) phases, the first was focused on waterfront governance and the second was focused on the Elysian Fields parking lots and how they can be developed with the community in mind.

**trepwise** was brought in to do research and community engagement regarding the upcoming and ongoing developments, specifically around the river and French Quarter/Marigny area, which ties into the FMC-owned parking lots on Elysian Fields Avenue. They will hold a public meeting in a few weeks to find out what the public is excited about, what works for them and their lifestyles, and what they need in the space.

They will include a few concepts, like support for the cultural community, activating the space for 24 hours, and safety and security. The sessions will be done both virtually and in person. The first will be on Tuesday, March 26<sup>th</sup> in person, and

The participants and co-facilitators of the events will be **trepwise**, Bright Moments, and Waggoner & Ball

Ms. Alley reported that the FMC has been working on this for quite some time. We waited to see what Audubon had to say. Audubon came forward with their plans and presented their plans to the City in August. The City approved Audubon's plans, so the FMC assessed how Audubon's plans would affect things. For Audubon to be able to satisfy its mission and be a park with all the elements, but to not have to overly program the park so it has a lot of revenue to support the park. Audubon believes that the FMC should share some of the revenues from the Elysian Fields parking lots to support the park, to which the FMC agrees, depending on what the number is.

**trepwise** is helping the FMC to work on the strategies and figuring out the financials. Waggoner & Ball is going to produce a massing model for us, of what a building would look like. Parking Advisors, who is a parking consulting firm in Chicago, represented the City's interest in the World Trade Center and other deals. They will do a feasibility study for the FMC so that we can

get the massing model of the garage, understand how much leasable space there is, understand all of our costs, and what we have available to commit to the support of the park.

Along the riverfront we deal with the development side of the maritime assets. Because of this we need a coordinated body who takes care of the development side, which is something we have been consistently telling all the partners along the way. We would like to be their partner, there has to be an entity bigger than the FMC because it is not the FMC's mission to take care of that; and we need to stay mission-driven.

Part of going through this exercise is to come out with the actual numbers and what it is going to take us to build the parking garage; what kind of uses we need to have on the ground floor to support the neighbors, as well as the development around us, and how much revenue we have left over to support the park.

The meeting will be the wrap-up version of this report; meanwhile, Waggoner & Ball will be working on the model and stormwater management. They came up with the Urban Water Plan, of which this is the 10<sup>th</sup> anniversary. They are excited and re-energized. This is their main project in the city. We also have \$2 mil. of hazard mitigation grant money from the City in the Capital Plan. If we put this plan together in a smart way, we can put in enough stormwater management beyond what the code requires to actively impact the street flooding in the area. We have been told this by Waggoner & Ball and City personnel. We have a blank slate to work with and the City's master plan identified this some years ago as a pivotal parcel. We are in a great position to move forward, strategically and smart about how we are going to do this.

Overall, we need to figure out what we have to assist Audubon and Audubon has to decide whether it works for them or whether we need to go together to look for Capital monies. We need to figure out what we can do with the lots, figuring out what we need to support our own mission, and what we have in excess to make sure it surpasses the park.

We are glad that there is finally a conversation being had by governance. The FMC can move on to do the parking lots and development; however, the FMC cannot be responsible for all the "spaces in the middle." In addition to the FMC, who has the Moonwalk, there are several municipalities who are responsible for the riverfront, including Ron and Audubon, who has the Esplanade and Gov. Nicolls wharfs and the Aquarium; New Orleans Building Corporation, who has Spanish Plaza; and others who are developing downriver, etc.

Stormwater is what we need to work on first, which is why it is important to have Waggoner & Ball engaged in the massing of the buildings; because we will probably have tanks underground, as well and it all has to be included in the ways things are done; although it is not one size fits all. A Cooperative Endeavor Agreement (CEA) between Audubon or whatever 3<sup>rd</sup> party entity there is and the City of New Orleans will need to be done. The current CEA for Elysian Fields and Gov. Nicholls puts Audubon on a deadline to develop Esplanade. The deadline is within three (3) years from the date that they were approved.

Waggoner & Ball are beginning to work on the massing model and then Parking Advisors will

take the massing model and move forward with their part. Parking Advisors worked with the FMC when it had a problem with its parking contractor, and they have been helping the FMC to put together the solicitation for the new parking contract. They will review it and also give comments at the Committee meetings.

## **E. OLD BUSINESS**

### **1. Presentation: FMC Commercial Market Rent Study – The McEnery Company**

Ms. Alley reported that at the July 26, 2024 Board of Directors meeting, the FMC Board authorized FMC Executive Director to enter into a contract with The McEnery Company to provide a real estate appraisal for the commercial properties under FMC's management.

Those properties include:

Upper Pontalba Building – Ground Floor Commercial  
Units Oscar Dunn – Commercial Units  
Colonnade Building A  
Colonnade Building B  
Colonnade Building C  
Colonnade Building D  
Colonnade Building E  
Farmers and Flea Markets  
Musical Legends Park

The McEnery Group presented FMC Staff with the Appraisal Report at the last Real Estate Committee meeting, which has since been posted on the FMC's web page for public review. The FMC Staff has received no comments on the document since its posting. The Staff would like the document to be utilized as the guiding document when establishing future tenant base rents and minimum sales requirements, moving forward.

The Staff recommends that the rents are tiered-up to get them to market value. At first 50%, and then 25% and 25%. It will not hit all tenants at once. The increases will come as tenants renew their leases.

Baldwin Justice (**Director of Valuation Services, McEnery Company**) stated that their engagement was to perform a Market Rent Study for all of the properties under management by the French Market Corporation. They performed a comprehensive analysis of the Market, in terms of the French Quarter and its competition, in terms of achievable rental rates within the French Quarter, as well as other high-quality retail locations throughout the city and other markets.

It was challenging determining a fair market rent, giving the nuances to each individual retail space. They first had to consider the existing leases and their structures and what was the current contract rent. They then looked at the unique nature of the units to recognize what the property is as a whole. In some respect, the property represents almost an outdoor mall. For that reason, they considered the Riverwalk, Jax Brewery, South Market District, etc. They also considered restaurant spaces with courtyards as

well. They considered other metrics, other than just the rent per sq. ft. and considered other nuances other than location. They considered build-out, infrastructure, strict retail, or food sales, whether a tenant is permitted to sell food. All of the factors were accounted for in their determination of market rent for each space.

The goal of the FMC is consider the tenants in place and maximize the revenue, but also maximize the quality of the tenant so that we do have visitors coming into the locations. Ultimately, as professionals, they gave their opinion of fair market rent, based on analysis.

Ms. Alley stated that we do not want to lose tenants so we recommend using the analysis as our baseline and set the performance goals equal to what the market rent is. It also gives us a basis for the performance goals that we can apply across the board. We will set the base rent at 85% of the market rent for the tenants who are not currently meeting the goals; and we will then increase the base rent and if the increase is greater than 50%, we will spread the increase out over the next couple of years.

Size was also considered in the rental analysis. Space does equal sales as related to restaurants because people sitting at tables and paying take up space. At is relates to retail, we have to see at what point a tenant may reach the point of diminishing returns; if they are adding more space, but we are not getting the corresponding amount of sales to go with it. We believe there are a couple of spaces that have an opportunity to do so as each one of those leases come up for renewal. There is a lease that has been discussed for some time, which is the only lease that has not been renewed and is on month-to-month, which is Pop City. It is also the unit where we are about to begin construction and it may be good to consider putting that space out for lease and only lease one of the units in the space and not the endcap of the space. We could also put the space out to bid and see if someone wants both units; but if we put the space out for both units, we may get complaints from the person on the endcap the entire time of construction. The current tenant can bid on it if they would like to, but we may want to consider reducing the space.

Mike Lester (N'awlins Sports) stated that when compared to retail spaces across the street from his shop, where the landlord asks for \$8,000/mo. in rent, it is a flat \$8,000. Whereas, the rent on our side of the street has to take into consideration that they are paying common area maintenance. They are paying from \$69 to \$72 psf. in common area maintenance and advertising and across the street it is a flat fee regardless of sales.

Mr. Justice said they also considered the structures of the leases that are in place. The structures they found were congruent with the leases in place. The leases projected are comparable to other rentals in the marketplace. Their analysis of comparable rentals account for any additional charges that are associated with spaces within the FMC portfolio.

Mr. Lester suggested that every tenant do sales on a computer system to avoid misreporting of sales. He asked if it were taken into consideration that the sales aren't being appropriated and that it may bring up the rent in certain places.

Mr. Justice stated that provided as a component of the contract rent in place, was a percentage clause for

the majority of tenants, if not all. If a tenant did not have a percentage rent clause, they looked at what they are paying effectively in the rent.

Ms. Alley stated that having the analysis has allowed us to look at each location and look at all the characteristics to see if someone appeared to be underreporting. We would look at the trends of what is going on in each location,

The Staff requests that the Real Estate Committee recommend that the Appraisal be accepted and acknowledged as a guiding document when determining future commercial Tenant rents and minimum sales requirements. The Staff further requests that the Committee's acceptance of the Appraisal be placed on the consent agenda at the next regular Board of Directors meeting.

#### **F. ADJOURNMENT**

Ms. McClendon moved to adjourn the meeting. The meeting adjourned at 2:55 p.m.