

MINUTES
FRENCH MARKET CORPORATION
REAL ESTATE COMMITTEE MEETING
Friday, April 12, 2024; 12:00 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 12:03 p.m.

ROLL CALL

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

Staff Present: Ms. Guidry, Mr. Gurtner, Mr. Ross, and Ms. Robison

A. REVIEW AND ADOPTION OF MINUTES – March 12, 2024

Ms. McClendon moved and Ms. Burns seconded a motion to adopt the minutes of the March 12, 2024 Real Estate Committee meeting. The motion carried unanimously.

B. PUBLIC COMMENTS

There were no public comments.

C. OLD 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

Mr. DeLong reported that the Committee received presentations from four (4) groups seeking the space during the last Real Estate Committee meeting and the Committee deferred to make a decision within thirty (30) days to recommend to the Board.

The four (4) potential tenants were:

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

The Committee did not require the potential tenants to attend this subsequent meeting.

Ms. Guidry directed the Committee to use the attached comment cards if they had any questions.

Mr. DeLong stated that at its previous meeting, the Committee discussed whether or not it was practical that the space could be divided.

Mr. Gurtner elaborated on the state and size of the space, stating that the kitchen area is in Bay 37 and half of Bay 35. He also showed where the restrooms, the front of the house, and back of the house were located.

Mr. DeLong stated that neither of the potential vendors would need the entire space. In fact, some potential vendors were able to prepare their food in the conference room at the last meeting. It felt as though one potential vendor was trying to come up with ideas to fill the space as they were presenting.

The Committee considered Sweets & More, but wondered if Sweets & More would be satisfied with having Bay 33, because they would only need space for a freezer, outlets for waffle irons, handwashing stations, and a counter. The electrical would also need to be separated. The average amount of space Sweets & More would need for waffles and desserts should be about 250 square ft.

Mr. DeLong agreed on the two potential tenants being Sweets & More and 2 Brothers Taqueria. He stated there could be subdivision with the kitchen for 2 Brothers Taqueria because they will need to cook; and then some division of Bay 33 and Bay 35 with installation of a sink for Sweets & More.

Ms. McClendon agreed on 2 Brothers Taqueria and Sweets & More; however, the idea of Sweets & More doing pizza would not be a good blend of products. Also, considering that there are not any tenants offering Mexican cuisine, 2 Brothers Taqueria would be a good fit in the Market.

Ms. Guidry expressed her concern about being permitted to divide the space.

Ms. Burns explained that there are three (3) different Bays, which suggests that separating the spaces would not violate any regulations. Bay 33 is 187 square ft. and the spaces are not all Bay 33 or all Bay 37; therefore, it stands to reason that it was meant to be three (3) separate spaces.

Mr. Gurtner explained that Staff and Real Estate can divide the space; but the issue could come as we advertised for lease as one (1) space; so we can make the decision to divide the space and then re-advertise.

Ms. Burns stated that if the FMC were to do a new space with new construction and have the same amount of foot traffic, the FMC can still increase its sales by 20%. From experience, when she had new construction and a new space, and had given up 1,200 square ft., her sales did not go flat. Her one big space ended up being three (3) smaller spaces and she still made the same amount or more money with less overhead and did not have to duplicate merchandise repetitively, just to fill up one giant space. To her point, she asked at the other meeting; how would a potential vendor fill up 600+ square ft. of space while selling a few items. It would also cost a potential vendor more in construction to renovate three (3) Bays, rather than a Bay and a half. More revenue can be captured from two (2) vendors and still have a good variety of tenants. She also liked Sweets & More (but not their pizza idea) and 2 Brothers Taqueria.

Ms. Guidry stated that given the feedback the space is large, and when we think about what our purpose is, we want to maximize the variety we are presenting to people; but even more so that it lends itself to splitting up the spaces. To Mr. Gurtner's point, it begs the question, "Do we need to re-advertise?" Other vendors may have been overwhelmed with such a large space, so we might get more feedback. We could probably re-advertise and get more interest.

Bidders could re-submit the same proposals so that we are not putting too much of a burden on them to come up with something different.

Ms. Burns stated that the investment of renovating three (3) Bays vs. renovating one (1) Bay is significant.

The total square ft. is about 700 and the annual base rent would be \$26,500 @ \$2,200/mo., plus 8% of monthly gross sales and advertising @ 1% of gross sales; averaging about \$30,000 of investment to renovate the three (3) spaces. The tenant would have to submit their plans to the Staff for approval. The Staff would review the plans for appropriateness.

The Committee asked to review the plans as well to see also signage, boards, counters, and quality. The Committee would like the tenant to invest in a business that is going to attract people so that they can make money and get a return on their investment.

Ms. Guidry agreed that the tenant would get more "bang for their buck" if the space is smaller and they can put a little bit more investment in the space.

Ms. Guidry asked the Committee to be mindful that if the decision is to re-advertise the space, to move quickly to get the tenant established so that the tenant isn't moving in, in the August heat.

The Committee discussed whether to have the Staff figure out if the spaces can be re-advertised; or to talk to the two (2) agreed-upon prospective tenants, letting them know that the Committee was interested in having them in the spaces and ask them to re-apply.

Ms. Guidry stated that because we would be creating two smaller spaces, we would have to re-advertise.

Ms. Burns asked that if there were other people who were interested in the space, would we not want to see what they have to offer.

The Committee re-evaluated the issue and found that none of the prospective tenants could fully and effectively occupy the space in a useful fashion; therefore, the Committee decided to divide the space and re-advertise. Additionally, the Committee does not believe that sales would be cut by putting two (2) vendors in the space. Bay 33 could also have other offerings besides food services; and we have the responsibility of providing the basic electrical infrastructure, but the plumbing would be on the tenant.

Mr. DeLong moved and Ms. Burns seconded a motion to ask the Staff to examine the possibility of splitting the space into two (2) leased spaces in the most efficient way possible and, if possible, to

proceed with advertising the space as such. The motion carried unanimously.

D. ADJOURNMENT

Mr. DeLong moved and Ms. McClendon seconded a motion to adjourn. The meeting adjourned at 12:29 p.m.