

TOP TWENTY-FIVE ACCOMPLISHMENTS
of the
FRENCH MARKET CORPORATION
1994 – 2002

INTRODUCTION – In 1994 the French Market Corporation (FMC) was awash in red ink. Inadequate revenue collection reflected lax administrative and financial controls. The Market's great assets failed to enrich its owner - the City of New Orleans. Rather the City continued to subsidize the Market. The Corporation's rent structure was inconsistent, unfair and unprofitable. A marketing strategy based on FMC-generated events was not working. The security plan was out-dated and decentralized. High turnover among maintenance workers was diminishing the Markets' daily appearance. And, the Market's physical plant reflected years of deferred maintenance, the costs of which continued to mount.

Eight years later, the FMC can report that the Administration of Mayor Marc H. Morial, the FMC Board and a new staff have made the French Market Corporation work for the City and citizens of New Orleans. The FMC has become a profit center for the City – paying some \$6,600,000 in dividends to the City through 2002. To achieve this profitability, the Corporation: put the brakes on runaway spending; created new revenue and spending controls; and adhered to a fair and rationale rent schedule based on appraisals. The FMC also revised its organization and personnel and procedures top to bottom. So too, the FMC created a new approach to advertising that highlighted the Market's traditions and values. The FMC created new security procedures with new equipment and restored morale and stability to the key maintenance section. And, while paying out \$6.6 million in dividends, the FMC was able to fund some \$4,000,000 in basic, capital improvements.

ADMINISTRATIVE (Items 1-3) Weak administrative procedures were revamped while costly, redundant administrative positions were eliminated even as the FMC took on additional responsibilities.

1. **Streamlining of Administration** – All administrative procedures were revised and manuals were developed and disseminated to ensure their consistent and full implementation. Three mid-level Administrative positions were eliminated at a cost savings of \$120,000 annually.
2. **Assumption of Administrative, Managerial and Operational Responsibility for the Upper Pontalba** – Effective October 1, 1994, the FMC took over the management of the Upper Pontalba for the Upper Pontalba Building Restoration Corporation (UPBRC). The FMC, with its leasing, maintenance and marketing capabilities, now provides the Upper Pontalba, the full and careful attention this national treasure deserves.
3. **Leased Edison Park from the City** - The FMC leased from the City Edison Park in the 300 block of Bourbon Street for FMC sublease pursuant to the restrictions set by an amended Act of Donation. FMC has worked with the Mayor and City Council to create the Musical legends Park, at the site, which facility will be operated by a non-profit entity subleasing the park from the FMC..

FINANCIAL (Items 4-14) From 1994 to 2002, the FMC moved quickly from a net cash deficit to health surplus while paying some \$6,600,000 to the City and funding \$4,000,000 in Market capital improvements.

4. **Financial Recovery** - In 1994, the French Market Corporation (FMC) had a net cash

deficit of \$844,739 caused by past FMC failure to fund bond holder-required operating and maintenance reserves. Through extraordinary financial discipline, the FMC was able -- in one year's time -- to fund the required reserves and achieve financial stability.

5. **End to City Subsidy of the Market** - 1995 marked the final year of a quarter of a century in which the City subsidized the Market . From 1971 through 1994, the Corporation received \$2,237,000 million in capital funds while returning a total of \$416,000 to the City -- a quarter century City subsidy of \$1,821,000.
7. **New Financial Controls led to increased Revenues and Decreased Spending** - New policies and procedures were instituted to better control revenues and expenditures. Cash receipts and revenue realization procedures were implemented and revenue collection improved dramatically in terms of amount and timeliness of receipts. Purchasing and Operating expenditure policies and procedures were put in place so the FMC could get a handle on its spending. Due in large measure to these new financial tools, in 1995, the first full year of its stewardship, the new FMC Board and Staff managed an extraordinary ten per cent increase in revenues while reducing expenditures by 18 per cent.
8. **Uniformity of Leasing Procedures and Rates** -- Since mid-1994 the FMC has strictly adhered to the State Public Lease Law requirement that French Market leases be based on the "fair market rental value." Now all FMC rents are set pursuant to appraisals and the terms and conditions of tenant leases are being brought into conformity. No longer are disparate rents and terms evident in the French Market rent schedule and lease structures. This fair and understandable approach to leasing has significantly enhanced landlord tenants relationships, which had been strained by the perception and, in some cases, the reality, of inequitable rents.
9. **Profit Center for City** - Starting in 1996, the FMC began paying a "dividend" to the City. The FMC's 1996 one-year \$600,000 cash payment to the City was greater than the total of all payments the FMC had made to the City in the previous 25 years (1971-95). Each year since 1996, the FMC has declared a "dividend" payable to the City. For the year 2002 the dividend is \$1,200,000, which represents one sixth or 16.6 percent of the Corporation's gross revenues. The City and its citizens, who own the French Market, are getting a fine return on their equity.
10. **\$6,600,000 in Dividends to Shareholder** – Table A (below), which shows – that since 1996 -- the French Market Corporation has paid the City \$5,400,000 in dividends and neither requested nor received capital funding from the City. The 2002 dividend of \$1,200,000 brings the seven year total cash payment to the City to \$6,600,000. Meanwhile, the Corporation continues a self-funded, capital program that is totally refurbishing the Market and its environs.

Table A- FMC Dividends to City - 1994-2002

Years	Rent/Contribution Paid to C.O. N.	Funds Received from the C. O.N.
1971-95	\$ 416,000 (25 year total)	\$ 2,237,051. (25 year total)
1996	600,000	0
1997	600,000	0
1998	1,000,000	0
1999	1,000,000	0
2000	1,100,000	0
2001	1,100,000	0
2002	1,200,000	0

From 1995 to 2002 revenues increased d by \$2,009,752 while FMC held the line on expenses. In 2002, 83 per cent (\$1,662,000) of this increase will go to the City in cash and operational support. Simply put 83 cents of every new dollar the FMC earns now goes to the City.

11. **Self-funded Capital Program** - After decades of taking capital funds from the City, In 1996, the FMC ended its dependence on the City for capital funds. Instead, the Corporation began a long-term, self-funded, capital program based on setting aside ten (10) percent of its annual revenues to preserve and enhance its historic facilities. All capital equipment and major property repairs are included in this long-range FMC capital plan. From 1971 to 1995, the FMC took some \$2.2 million in capital funds from the City. Since then the FMC has self-funded some \$4,000,000 in market capital improvements (see Items 19-25 - below).

MARKETING - (Items 12 and 13) - Right away, in 1994, the FMC turned from a promotional strategy based on costly FMC-generated events toward a strategy of paid advertising that underscored the traditions and excitement of the daily market..

12. Coordinated Ad Campaigns -Using focus groups to assess the past and future directions of FMC marketing, the FMC developed and launched a new advertising campaign with the theme and slogan "Local Color." 1995. This was followed by the "Local Scene" campaign, after which came "French Market Style." These coordinated campaigns played to the Market's strengths as a place which locals enjoyed and thus visitors must see. These campaigns have won much acclaim and clearly increased Market visitation. At various times during the year - Christmas, Mardi Gras, Summer and Pumpkin -- seasonal ads augment the campaigns.

13. Parking Ad Campaign - After renovating the Farmers' Market Annex Lot on Elysian Fields between Chartres and Dectaur Streets, (See Item 21) the FMC began a highly-directed advertising campaign to attract patrons to this lot and the Farmers' market lot across the street. The campaign is paying off in terms of substantial increases in patronage at both lots.

OPERATIONS (Items 14- 18) - By 1994, years of high maintenance personnel employee turnover and poor morale had diminished the French Market's maintenance capabilities and energy. Similarly, inadequate controls, equipment and supervision compromised the Security Section's mission. Drastic changes in maintenance and security were in order and were promptly implemented.

14. Up-Graded Maintenance Organization and Operations - A revamped FMC

Maintenance Section with a stable, predominantly full-time staff has dramatically enhanced the appearance and operating efficiency of the French Market. Experienced Maintenance professionals replaced administrative supervisors at the helm of the FMC Maintenance Section. Full-time workers replaced part-time workers. Increased morale and a new level of commitment have led to a significant reduction in maintenance worker turn-over -- from a 33 percent level in 1994 to minimal turn-over since.

15. **New Maintenance Facilities and Equipment** -- After providing the Sanitation Department a new facility to house its French Quarter Clean-Up crews, the FMC has created much needed "shop" and storage areas underneath Washington Artillery Park. These areas are accessed by an electrical carts that deliver supplies throughout the complex. The purchase of a full-size garbage truck has significantly stream-lined garbage pick-up and storage while providing the FMC annual net savings in excess of \$60,000. To save maintenance costs, all FMC vehicles are now purchased on a four-year cycle .

16. **Expanding into the Neighborhood and Community** - At a cost of some \$250,000, he FMC now works around the clock -- 24 hours a day, 365 day a year -- to secure and maintain Washington Artillery Park. Elsewhere in the French Quarter and throughout the City, the FMC Maintenance Team -- in their Khaki uniforms -- are a familiar sight as they help out and pitch in to construct and refurbish parks, monuments and recreational facilities and support events.

17. **New Security Equipment, Policies and Procedures** - Prior to May 1994 , the FMC Security Force used a decentralized deployment system dependent upon beepers for communications and scanners for control To remedy This out-moded and ineffective system , the FMC installed a 41-camera Closed Circuit Television (CCTV) system throughout the Market. And established a command center for monitoring the CCTV system and communicating with an expanded and re-

organized security force. Other new Security initiatives include: direct supervisory, command and communications links with the New Orleans Police Department (NOPD), enhanced tenant-FMC Security communications; and more active and more closely supervised patrols..

18. NOPD Enhanced Riverfront Security Program Created and Funded -

Starting in 1995, the NOPD's Eighth District has overseen FMC security operations. In 2002, the FMC will pay the NOPD some \$212,000 a year consultation, supervision and for Eighth District Officers --through over-time --- to provide enhanced NOPD coverage of the sector bounded by Decatur Street, Elysian Fields Avenue, St. Peter Street and the River. Through improved coordination and communications the FMC-NOPD partnership has substantially reduced crime in this sector.

Physical Improvements (Items 19 - 25) - For eight years, the FMC has concentrated on remedying deferred maintenance by concentrating on building basics – re-painting, re-roofing, repairing and refurbishing to make the Market durable, attractive and thus profitable. Through its beautification program the FMC has re-landscaped the entire Market environs from Decatur and St. Peter Streets to Chartres Street and Elysian Fields Avenue.

19. Concentration on the Physical Plant "Basics" - Capital Funds set aside annually (see Item 11 - above) are spent pursuant to a long-range plan, which now concentrates on remedying years of deferred maintenance by concentrating on roofing, painting, plumbing and other fundamental aspects of the French Market's physical plant. Consequently, the FMC is ensuring that its facilities will not only endure, but continue to hold their rental appeal . This approach departs from the previous FMC approach where attention was paid to crisis-borne repairs and highly visible projects while the Market's fundamentals suffered. The Market buildings have been repainted and re-roofed, millwork has been replaced, the fountains work, the

public rest rooms have been refurbished; and, landscaping has been totally revamped.

- 20. 5,233 Square Feet of New Leasable Retail Space Created** - Looking to enhance revenues, the FMC seized opportunities to create four new retail spaces. The first was the Crafts Bazaar Area that had been left unfinished as part of the Building D renovations. Four craft spaces totaling 1,024 were created in 1995 and have been fully rented ever since. A 789 square foot retail space was also created in the Building D "breezeway." A 1,102 square foot newsstand was created in Washington Artillery Park; and a 2,318 square foot retail facility was created by modifying and expanding the first floor of Building C. In all the FMC now has 5,233 new leasable square feet of retail space.
- 21. Parking Lots Enhanced and Expanded** - In 1994, the FMC had a total of 603 parking spaces of which 451 were improved. Now the FMC has 628 improved spaces. In 2000 the FMC completed some \$600,000 in improvements to its Farmers Market Annex lot on Elysian Fields between Chartres and Decatur Streets. These improvements have created a well-lighted, well-landscaped . 152-space parking lot; and -- to maximize the efficiency of this lot -- the FMC purchased an adjoining parcel of land. In 2001 the FMC repaved and realigned the French Market Lot, behind the floodwall. In so doing, the FMC created an 25 additional parking spaces.
- 22. Washington Artillery Park Renewed** - With \$300,000 in FMC funds and \$580,000 from the Audubon Commission, the prominent and vital Washington Artillery Park was rescued from abuse and under use and given new life and a new look with an enhanced tribute to the Battalion Washington Artillery, a newsstand, reopened rest rooms and a Visitor Information Center. Trained FMC visitor information specialists man the Washington Artillery Park Visitor Information Center.

- 23. FMC Offices Made Accessible and Larger-** In 1997-99, the FMC refurbished its offices by adding an elevator tower along side its "Red Store" building, which houses the FMC administrative and operation offices. This historically compatible tower allowed the cost-effective installation of a new elevator, which makes the FMC offices accessible. It also enabled the FMC to expand to the building's third floor, create much-needed office space and set up a Meeting Space meeting-size Board Room.
- 24. Beautification Program -** As part of its self-funded capital program, in 1996 the FMC launched a beautification program that each year sets aside one-tenth of the FMC Capital Budget (i.e. one percent of FMC revenues) for new works of art and enhanced landscaping throughout the Market. To date, improvements have include: the "Second Line" sculpture at Dumaine Street; the YaYa fountain at St. Anne Street; new paving and planting areas along Building B, a totally relighted and re-landscaped Washington artillery Park; street trees along Elysian Fields Avenue; the fencing and replanting of Latrobe Park as well as spot landscaping work throughout the Market complex.
- 25. Creation of the New Place de France -** The New Place de France at the confluence of Decatur and North Peters Streets, which displays Emmanuel Fremiet's statue of Joan of Arc provides a dramatic and exciting focal point for the Market and French Quarter. The regilded statue, the cannon and the flags of the United States, France, Louisiana and New Orleans command a presence that was never felt in the former Place de France. The FMC participated in all aspects of this exciting new space, which was largely funded by the JCC Holding Company, owner of Harrah's with landscaping provided by the FMC.

CONCLUSION — During the past eight years, the French Market Corporation Board and Staff have taken seriously, the FMC's status as a public benefit corporation. The FMC has been run the FMC business with the "bottom line" in mind. And, the public has indeed benefitted through a revamped and renewed Market and, importantly, the millions of dollars the FMC has paid to the cash-strapped City of New Orleans

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