



Eastern Market Manager's Report to the EMCAC

January 24, 2018

Finances

FY18 First Quarter Revenues

Description	FY18 Revenues
South Hall Rent	\$ 58,868
Exhibitors & Farmers Line	\$ 95,595
North Hall	\$ 126,576
Application and Event Fees	\$ 2,350
Flea Market	\$ 16,200
ATM	\$ 20,620
Total Income	\$ 320,209

Budget will be released at end of February/early March and the Budget hearing will be on March 26.

Leases

Meeting has not been set yet.

Outdoor Vending

Tomorrow, we will be accepting new vendors who have been through the initial management review process.

Fresh Tuesdays

Only Farm to Family and Groff's Content Farm are coming out right now.

Operations

Rules for indoor merchants: The current lease includes the following:

13. Rules. Merchant shall at all times conduct its business in the Merchant's Premises and use the Common Areas of the Property in accordance with Manager's Rules and Regulations. Manager reserves the right from time to time to amend or supplement the said Rules and Regulations, and to adopt and promulgate reasonable additional Rules and Regulations applicable to the Eastern Market Premises.

While the rules read, "time to time," we have NEVER amended or supplemented the indoor merchant rules, while we have done so for the outdoor vendors almost every year. It has had a very positive effect on the outdoor market and we are sure that change, while upsetting to some, will also have a very positive effect on the indoor market.

We have received input from the merchants regarding the rules and appreciate the input.

A portion of the changes were focused on the hours of the market. The legislation reads:

§ 37-105. Market manager (j) states: The market manager, in consultation with the Tenants Council and the EMCAC, shall determine days of operation and hours for buying and selling for the following: (1) the Eastern Market building; and (2) the sidewalk market.

Together with the Tenant's Council, we will look at this more closely over the next two months, and then, after such consultation, we will make a final decision on whether or not to change the hours and whether or not to stay open on Mondays. Our preliminary look at what the customers want and what the competition is doing suggest that we should update our hours to include Monday and possibly to stay open a bit later.

See Attachment A for more information about the rules.

HVAC System: We had several issues with the heating system over the extremely cold weather days of December and January this year. It appears to be an issue with the capacity of the five air handler units that heat the south hall and not an issue with the capacity of the boilers. Up until this point, our staff and contractors have only had the time to respond to the absolutely critical issues and have not been able to go deeper into what the root cause of the problem is and how we can address it. I would like to know if it is an issue of the air handlers not running efficiently enough to handle the load or if we need another air handler unit and I have asked this question. One question that I can answer right now is why are we able to keep the North Hall so warm? Answer: Unlike the rest of the market, the North Hall has an air handler devoted to it AND a baseboard heating unit.

300 Block of 7th Street: I sent a draft Request for Offers for the management of the 300 block of 7th St SE to the EMCAC for review. Per legislative requirements for the review process, we look forward to feedback by February 20.

Capital Improvements

Last year, DGS began the "Launch Pad" initiative. This is the way that Eastern Market contracted with the security company to install new cameras in July of 2017.

The Launch Pad works like this:

In a manner that's similar to "Shark Tank," local Certified Small Business Enterprises (SBE's) present their qualifications to DGS Senior Staff, who serve as Launch Pad Judges.

Each SBE is allotted a 5-minute presentation time slot with the Launch Pad Judges Panel — in return, their business can potentially be awarded a contract with the District (of up to \$100,000). Each contestant works to efficiently and effectively convince the judges of their business ideas.

After the final presentation the judges will award one contract based on the qualifications and presentation of the companies that presented. A contracts will be awarded the same day of the presentations.

Eastern Market is now participating in its second Launch Pad: **Launch Pad No. 9 - HISTORICAL EASTERN MARKET PRESERVATION & BUILDING RESTORATION**. This Initiative will be for a number of small projects that we have had on our to-do list for a while. The timeframe for these Launch Pad initiatives are short and we thank the Capital Improvements Subcommittee Chair for taking the time to discuss the projects and provide valuable input that was incorporated into the Scope of Work. We wanted to make sure that the EMCAC was involved, as is statutorily required. Included in the Scope of Work is the following: “All work shall be submitted to the Eastern Market Community Advisory Committee for review ...” See below.

6. Repair large paned historical transom sash window on alley side of North Hall. See Exhibit F for photo of transom sash;
7. All work shall be submitted to the Eastern Market Community Advisory Committee for review and, when required, submitted and approved by the DC Historical Preservation Review Board (HPRB) Cost of permitting shall be reimbursed by Department of General Services based on proof of actual cost and proper documentation; and
8. **A one year warranty should be included as part of the project cost. During the**

The projects included in the Initiative are:

No	Description	Completion Date
1	Historic restoration of front steps	May 4, 2018
2	Installation of matching, historically appropriate railings on front steps	May 4, 2018
3	Installation of custom fit blind material on windows	May 4, 2018
4	Finish out first floor office	May 4, 2018
5	Replace ground uprights to highlight historic facade	May 4, 2018
6	Repair large paned historical transom window	May 4, 2018

On Wednesday, Jan 17 at 3pm, the DGS Launch Pad Initiative and Eastern Market hosted an Industry Day at Eastern Market where the following experts provided their perspectives on the various projects that are part of the Historic Eastern Market Launch Pad Initiative:

- Anne Brockett, Architectural Historian, DC Office of Planning/Historic Preservation Office. Anne Brockett was Eastern Market’s contact from Historic Preservation Office during the rehabilitation from 2007-2009 and because of her expert knowledge of Eastern Market, remains our contact;
- Tom Jester, AIA, FAPT, LEED AP, Principal, Quinn Evans Architects

Quinn Evans Architects designed the rehabilitation of the historic Eastern Market building after the 2007 fire;

- George Colgrove, Research Engineer, Cathedral Stone Products, Inc. Cathedral Stone restoration mortars have been used at Eastern Market and are specified as the material of choice for the steps in the Eastern Market Launch Pad Project;
- Christian Kelleher, Founder, The Craftsmen Group, Inc. The Craftsmen Group was responsible for the window restoration work at Eastern Market after the 2007 fire.

The meeting was held in the 2nd Floor office at Eastern Market (above the ATMs). Thank you Donna for attending.

In addition, the EMCAC is invited to be in attendance at the Launch Pad event on January 31 at 10am in the 2nd Floor Community Room at the Reeves Center, 2000 14th St NW.

Eastern Market Main Street

See Attachment B for Minutes from EMMS Board meeting.

There are two fantastic grant programs that the EMMS has put in place. See Attachment C.

JRINK has just opened in the north Hine Building. Eastern Market Nails will relocate from the second floor to ground level.

North Hall



Over the last month (Dec. – Jan), we have made strides to address concerns of a neighbor to include, testing the removal of tents post event (the following day by 10am).

(4) new picnic tables have been assembled and placed in the North Hall for public access during non-event market hours.

Public Events for the Month:

- Aerobic Fitness
- Stroller Strides
- Boogie Babes
- Tango
- Passion City Church
- EMCAC

Since our events are displayed in the Center Hall, we will not put a listing of them here and save a bit of space. Please feel free to take a picture if you'd like.

Attachment A

Hi Chuck and Mike,

Here are some other items for the Tenant's Council Meeting agenda that pertain to indoor merchants:

1. We have had success with many of the changes that we have made to the Outdoor Vendor's Vending Agreement, which is our contract with the outdoor vendors. In particular, we've found that by levying fees for certain transgressions, people change their behavior and stop violating the rules. Not a big surprise. We plan to do the same for some of the issues that come up repeatedly in the indoor market and have made some proposed changes to the rules. We would like the Tenant's Council's input before enacting those changes. I've attached the proposed changes and Mike, I encourage you to solicit feedback from the merchants in advance of the meeting. Here is a quick summary of the changes and the rationale behind each of them. We can discuss further, of course, at the meeting:
 - a. **Tenant shall accept at least two (2) forms of major credit card for any financial transaction, except as may be expressly exempted by applicable law.** While the revenues from Eastern Market's ATM machines will suffer from this change, considering the customer good will that will come from it, the revenue loss will be well worth it.
 - b. **Tenant shall clearly display product pricing at all times.** This is something that we get complaints about on a regular basis. This change will simply help Eastern Market to be competitive.
 - c. **Tenant may park for 15 minutes in customer parking while making a delivery. Tenant shall incur a \$50 fee for any vehicle that is parked or standing in customer parking for more than 15 minutes.** While we get a lot of complaints about customers staying longer than they should, we are probably more impacted by merchants and merchant employees parking behind the market. It happens more often and more consistently than customers. And it can be more easily remedied ... in this manner.
 - d. **No delivery vehicle may block the alley between the Eastern Market building and the Rumsey Aquatic Center. Tenant shall incur a fee of \$50 for any time one of their delivery vehicles blocks the alley while delivering to Tenant's stand.** We are implementing the same rule for the North Hall events.
 - e. **Tenant shall incur a \$50 fee for opening later than the hours of market opening or closing earlier than the hours of market closing.** This has been another perennial problem. I believe that this rule, enforced, will resolve it.
 - f. Note: I understand that merchants may not be able to accomplish the first and the second rules overnight. I'd recommend that merchants begin working on getting to this point now and then when the rules are put in place, we will give another week for whatever last things they are required to do.
 - g. Finally, there is a rule that has fees associated and that is periodically ignored by some merchants. We will begin enforcing it:
 - i. **Tenant shall insure that the leased space is maintained in a clean and sanitary condition upon the close of business each day. Tenant shall be required to properly dispose of all trash generated by its business on a regular basis in the trash dumpsters designated by Market Manager. In the event a Tenant fails to keep the Premises or common areas adjacent to the Premises clear of trash, boxes, debris, merchandise or other items generated by Tenant's business, the Tenant shall pay Landlord a \$50 per occurrence charge for their removal.**
2. With the increased competition in the neighborhood and the city, it would surprise anyone if the merchants weren't getting hit by a drop in sales, just as they say they are. While we are all (merchants and management) working at this, probably the single most important change would be to keep the market open on Mondays. This would both add another day to the week and make the operations of the market more predictable to customers. Every Monday we get dozens of people who simply expect that the market will be open. At the same time, we might consider adding more consistency to the hours, particularly the weekend hours. This is standard with our competitors, even the smaller ones like Mom's and Yes Organic. Perhaps Mon-Sat 7am-7pm, Sun 7am-6pm. I would like to hear the Tenant's Council's input on these proposals.

Stay warm this weekend.

Best,
Barry

More detailed and specific examples of why we need to implement two of these rules:

Example of why we need rule for blocking the alley:

11:30am-11:50am on Tuesday, Jan 23 – Merchant's delivery truck blocks alley. Some merchants will say, "... but we can't do anything about what our delivery people do." That would surprise me and I'm certain that with a potential \$50 fine, the merchants whose delivery folks are regular offenders will do more than they are doing today.



Examples of why we need rule for merchants and employees parking behind the market:

Twice in two weeks, I had to tell the same merchant employee about parking in back of the market. Later, he came to me and asked if it would be alright to park in the back for only a couple hours. Answer: No.

Another merchant employee asks management staff regularly if I am on site or not. If I am on site, she will move her car. Otherwise, she leaves it in the back of the market. Until the proposal of fines was mentioned 2 weeks ago, this happened weekly.

A merchant told one of the management staff directly that employees and merchants sometimes park in back until they see that they should move their cars because there are a lot of customers out there.

Attachment B



**EASTERN MARKET MAIN STREET
MEETING OF THE BOARD OF DIRECTORS
Friday, December 15th, 2017**

A meeting of the Board of Directors of Eastern Market Main Street was held at Compass on Friday December 15, 2017. The meeting was called to order at 8:40am.

Board members attending included Manuel Cortes, Loren Bushkar, Alex Golding, Barry Margeson, Terry McDonald, Shaun Marble, and Megan Shapiro. Also present was Executive Director Madeleine Odendahl. A quorum of the voting members of the board was present.

Alex Golding motioned to approve the minutes from the November board meeting. Megan Shapiro seconded the motion, and it passed unanimously.

The Organization Committee provided an update regarding contributed revenue. They also discussed the organization's finances more generally. To date, the organization has raised \$52,076, 81% of its \$64,000 goal for FY17. The organization is expected to end the year in the black.

The Promotions Committee discussed The Holly Days campaign, which was a success in regards to business participation and customer engagement. They also discussed preliminary plans for Market Week 2018. The next Promotions Committee meeting will take place on January 25, 2017.

The Economic Vitality Committee discussed Business Health Checks. They also discussed Technical Assistance Grants. The next Economic Vitality Committee meeting will take place February 11, 2018.

The Design Committee discussed the completion of all of the 2017 Facade Improvement Grants, as well as businesses to support in 2018. The next Design Committee meeting will take place January 12, 2017.

The opening of Quavaro were discussed. The board discussed clearer signage and potential diversification of the store's merchandise.

The meeting was adjourned by Chairman Manuel Cortes at 9:27am. The next meeting will take place on January 18 at Mr. Henry's from 8:30am-9:30am.

Respectfully Submitted,

Secretary

Attachment C

EMMS GRANT PROGRAMS

Learn more about the grant programs EMMS offers!

Facade Improvement Grants

EMMS' Façade Improvement Program (FIP) is intended to stimulate improvements to commercial buildings and help build a stronger business community.

Technical Assistance Grants

EMMS' Technical Assistance Program (TAP) is intended to stimulate investments in a wide range of business assistance in order to increase the capacity of small businesses.

Both programs disburse grants on a reimbursement basis and are generously supported by the DC Department of Small and Local Business Development

To find these two grant programs, go to: <https://www.easternmarketmainstreet.org/business-resources>