

NFM Regular Board Meeting 3/29/2017 Minutes

The regularly scheduled meeting of the Nashville Farmers' Market Board was called to order by Board Chair Frank Cardenas at 9:32 am March 29, 2017

In attendance were Board members Cardenas, Priscilla Norman and Margot McCormack. NFM Staff members present were Tasha Kennard, Carolyn Sanders, Charles Kizer, Jackie Conteras, Rebecah Boynton and Kay West, and Metro Legal representative Susan Jones. A quorum was present.

Also in attendance: Beth Piper, Kevin Woods, Jay Odom, AJ Mehensh, Kok Hai Tan, Jackie Liu, Amy Croger, Sam Barshvo, Rob Williams, Sam Davidson, Ed Smith, Supe Grande, Jane No, Dindar Igid, Saba Berhanu, Tom Eckert, Fidel Vasquez, Troy Smiley, Cynthia Johnson, Oscar Flores and Kia Jarmon. Crew from Metro 3 were there to broadcast and tape the meeting.

Chair Cardenas read the following standard announcement.

As information for our audience, if you are not satisfied with a decision made by the Farmers' Market Board today, you may appeal the decision by petitioning for a writ of cert with the Davidson County Chancery or Circuit Court. Your appeal must be filed within 60 days of the date of entry of the Board's decision. To ensure that your appeal is filed in a timely manner, and that all procedural requirements have been met, please be advised that you should contact your own independent legal counsel.

Public comments were invited at the start of the meeting to ensure that anyone who wants to comment can do so prior to the Board discussing the business on the agenda. Chair Cardenas read the following standard announcement:

Individuals, requesting to address the Board; will be limited three (3) minutes unless granted more time by the Board Chair. Each person authorized to speak is expected to state her/his name and address and the organization represented if any, and if the speaker reads prepared text, to provide a copy to Board staff.

No public comments at that time.

Chair Cardenas asks for approval of 2/22/2017 regular meeting minutes. Moved, seconded and approved.

Financial Overview & Fee Waivers

Executive Director Tasha Kennard reports. Effective July 1, 2016 the NFM operating budget is \$1,952,700 which includes total revenue of \$952,700 and an operating subsidy of \$1 million. The operating subsidy will utilize funds from the State lease agreement that was completed last year.

As of February 28, 2017 the Market earned \$664,357 in revenue collections. Revenue collections are ahead approximately \$61,000 at this time due to a special event and shed occupancy revenue collections. The Market expenses total \$1,095,404 per the attached BAR. Expenses are under budget by

approximately \$177,000 at this time and are not projected to exceed the operating budget. Should the Market continue to operate ahead of the budgeted revenue and below budgeted expenses, the operating subsidy utilizing the funds from the state lease amendment will be decreased and the remaining balance will remain in the fund balance to subsidize the FY18 operating budget.

The FY18 Budget Hearing was held on March 14 at 2:15 before the Mayor, the Finance Director and the COO. Our budget for FY18 continues to demonstrate steady year over year revenue growth of \$285,000 and reallocation of \$59,000 to expand services and programs, community engagement and provide incremental pay increases to staff that are not covered in the General Pay plan and provide youth internship opportunities. In addition, the budget includes a \$59,000 improvement request for one new full time, non-civil service position that will become a program coordinator working with Jackie Contreras that will enable the Market to expand neighborhood market services to at risk communities. The budget also includes a \$750,000 request to subsidize the Market's operational needs in FY18. Again, if there is remaining balance from FY17 that will go towards the \$750,000. This represents a subsidy decrease of \$250,000 year over year and we anticipate that the implementation of the proposed rental rate plan we will be discussing today and completion of all proposed facility improvements will continue to lessen ongoing subsidy requests over the next few years.

The FY18 Capital Budget request was also presented. It was an Improvement Request of \$3.6 million in major renovation projects, replacement of HVAC system and the expansion of Market services in the community.

There are no additional fee waivers to report at this time or request approval for.

The analysis snapshot is attached and is based on forecast and actuals and includes the variance to forecast. She asks for questions and there are none.

Review of Capital Improvements Projects

ED Kennard updates the Board.

- The Market has completed a temporary merchant parking contract with the State. Public works is actively clearing the designated parking lot on the other side of Bicentennial Mall. The Market will have 85-90 permitted merchant parking spaces on a gravel lot and will be exclusive to NFM merchants. It can be used 7 days a week just for Market. There will be signage and anyone in that lot will be required to have a permit. Public Works projects completion by the end of April. That is an approximately \$140,000 project of Market Capital Funds.
- The restriping and re-direction of 7th and 6th Avenues an approximately \$80,000 investment. That will add 60-70 new 45' on-street parking spots in addition to existing. That parking is not Market exclusive. Legislation has been filed and will go to Council meeting next week. It is a one-reading resolution. Should it be approved the MOU will be signed by General Services and the city and the work will commence in April. If that timeline is followed, it will be completed by the end of April. The Market lot has been re-striped and 15-minute parking zones inside the fence line have been created. Charles Kizer and Rebecah Boynton have re-developed zones and

signage inside the gates and that will be installed. It is short-term parking. The changes are expected to be ready in time for peak season. The NFM lost 150 parking spaces Memorial Weekend 2016. When these projects are completed, the Market will gain back at least 150 spaces. When the Museum opens that will be a shared parking lot between their property and ours and they project 150-160 spaces. That project is set to be complete between fall and winter of 2018.

- Completed the restroom renovations the end of December.
- The RFP for the renovation and work on the patios has been issued. That includes a new fence line that will run the perimeter of the front patio on 7th and the back patio on Rosa Parks. It will have improved lighting, furnishings, landscaping and shade awnings. That project is set to be completed by May 30, 2017.
- Market House infrastructure are major projects and will be done in order of priority. The plumbing and electrical evaluation is completed. The sheds and Market House fire suppression system has been completed. An RFP was issued for interior and exterior painting and has begun. The fence on the perimeter of the property will undergo rust removal and be repainted.
- HVAC has been evaluated. Everything that can be done to existing system to increase efficiency and reliability has been done and it is not enough. \$850K of the \$3.6 Capital Improvement budget has been requested to replace the existing system. It is not the original unit but is over 15 years old.
- Working on adding cold storage to shed area requested by farmers and replacing the dry storage lost to the construction.
- Redesign of loading and waste docks are the largest projects. Gobell Hays is the project manager for those to be sure all community engagement and board input is done, approvals are applied for and received, and design options are completed to take to the merchant community. The design is in process and options are anticipated to come before the board, merchants, the city and state in late spring or early summer. Those projects need to move in a timely fashion to be complete by the Museum opening in Fall/Winter 2018.
- Other projects include grounds improvements, better security and alarm systems, landscaping and sidewalks. Because we are on state property, sidewalks have been their responsibility but after discussion with General Services, the Market has been given approval to do the project as long as trees are not impacted. Unfortunately the tree roots are the issues. A meeting has taken place to evaluate options, as well as a meeting with the Museum to find out their sidewalk plans.

Margot McCormack asks if the parking lot will be monitored. ED Kennard reports that the NFM security team patrols parking and officers are added as needed. A parking attendant or agency would come with a cost. NFM is exploring use of shuttle services from State lots to Market.

Market House Rate Proposal with Merchant Feedback, Discussion and Next Steps

Chair Cardenas stresses the importance of this discussion and merchant feedback. Ms. McCormack moves that public comments be invited again at end of summary. Ms. Norman seconds and approved.

ED Kennard reports on MH Merchant meeting on March 6th. Minutes of that meeting are included in the Board packet and available on request. There was a detailed presentation of all aspects from ED Kennard, followed by questions and discussion. Merchants were requested to schedule one-on-one meetings with ED Kennard about their individual needs.

Ed Smith – B&C BBQ/Market House liaison – has hosted two (2) Market House merchant meetings for merchants and feedback. ED Kennard and Mr. Smith have had multiple conversations prior to and post meetings. In general the feedback has been positive and merchants have a general awareness and understanding of why NFM staff is making the changes and what the impact will be on their businesses. There is a general buy-in on a particular rate plan. There has been feedback on other terms as well, where there is flexibility and a general recommendation. The process has been very transparent, open and participatory. Some merchants have chosen not to meet but staff has followed up in writing. They have chosen not to schedule meetings.

Chair Cardenas thanks all the merchants, ED Kennard and the staff for the engagement and communication. The Board needs to hear the feedback.

Ed Smith reports on merchant feedback from the two meetings. The majority of merchants attended one or both. The rate increase options were discussed and the majority of merchants are comfortable with one in particular, the \$13/\$15/\$17 plan. Merchants understand running a business that you need to pay as you go. Merchants are all behind a rate increase and do not want to run a deficit with the city at the Market.

There are some concerns and requests that Mr. Smith presented to ED Kennard in their meeting. Request was made to reconsider hours of operation and it was agreed upon. There are issues with events on Friday and Saturday and agreement was reached not to hold private events that close the Market House on those nights. Requested that merchants be open six days a week rather than seven and that each merchant can choose their own day to be closed. It was requested that the Health Department requirement be re-worded and that a 95 and above score would be maintained.

One reason \$13/\$15/\$17 option was preferred to \$14/\$16/\$18 was not just due to figures but to take into account increased costs to meet the Styrofoam prohibition. It is also believed that the effect of increased business from the Museum opening will not be dramatic immediately.

Merchant want firm dates of projects to be completed such as parking, string lighting in the four corridors to meet night hours, and outside parking lights. His customers do not feel safe coming to the Market at night. Merchant and staff communication is key. If there is a delay in deadline, they would like to know in advance and why.

Form a Merchants committee to meet with staff, possibly every quarter, or every month during construction phase to discuss signage, parking, lights, dead plants, etc.

HVAC is a huge problem, it is the #1 concern but merchants understand the issues and challenges of that.

Mr. Smith will meet with Creative Gardens (Styrofoam replacement) to see if they would give a bulk rate for all merchants. Not opposed to other companies. B&C uses American paper and Twine. String lights, exterior spotlighting by April 15; merchant parking by 4/30; signage April 30th.

Merchants would like to see public art in the Market.

Merchants are looking for an avenue to be kept aware of what is going on and that with the rate increases, promises from their landlord are kept and deadlines met. Merchants want accountability.

Ms. McCormack says merchant committee is a great idea and urges monthly meetings. Merchants are also encouraged to come to Board meetings.

ED Kennard says the merchant meeting process has worked and been very productive and open with the staff, very reasonable with their feedback. There are already things they requested management is open to—hours, one day closed, Friday and Saturday events.

ED Kennard and Batch discussed using a shared document to keep up with dates, a project tracking sheet. It would also be hosted on website. The merchant committee has been discussed for years and not happened but there is more buy-in than ever before to create a very diverse committee. She thinks at a minimum they meet every six weeks.

Sam Davidson of Batch speaks. They have been at the Market 3 years and they will be among the first impacted by rate increase when they sign a new lease shortly. He echoes everything Ed Smith said. What he stresses are two critical areas. One, that the Merchant community wants a better, bigger, deeper partnership with staff and board. A stronger merchant-to-merchant relationship has already evolved and the proposal is to meet one week prior to the Board meeting and then someone from merchant community will send ED Kennard questions a week out so they can be addressed prior to or can be added to agenda of meeting.

Given that, the Merchant community will be more vocal. They feel strongly the rate increase be tied to improvement deadlines and work being met. It is understood not every deadline can be set by the Board and staff. No merchant believes there should not be a rate increase. But to accept rate increases, merchants expect a \$13/\$15/\$17 facility or whatever is decided. Mr. Davidson says he firmly believes the Market's best days are still ahead. When the Market is better, every business in the Market does better. Merchants look forward to the results of the vote so they can plan.

Rob Williams of Batch echoes that if the Market is asking more of merchants, merchants will ask more of Market. The main concern is deadlines. There is a history of not meeting deadlines. He would like something written into agreement with regard to that. Perhaps rates would be increased to \$13 in year one but if deadlines are not met, then the rates will not increase again until those projects are included.

Also, there are concerns about increased load factors and how they are determined. Business owners need to know more about that so they can do their budgets.

ED Kennard says the load factor is determined using BOMA standards—Building Operators and Managers Association. Based on per SF of type of space. Load factor starts with .20 and range all the way up to 6.0. The majority of businesses operating inside the MH are on a 4.0 load factor. There are two areas—retail support with food prep, such as restaurants with full kitchen operations and hoods. The majority of those are on the 4.0. The ones on a 3.5 are facilities that are more retail than restaurant. Or a food service like Sweet Stash not making food on premises. The 1.5 load factor is retail in non-conditioned space, such as Batch, which is their current load factor. 1.5 is used for restaurants that have seating, such as Bella, Picnic Tap and Jamaicaway. The 1.5 is for their seating area. Batch is in the wrong BOMA which is why it is changing. There was an error in the original lease and it will be corrected to a 2 in their next lease. There is also a 2.5 and 3.5 for retail. International Market is a 3.5.

No other comments from guests. Chair Cardenas thanks the Merchants for all their work and input.

Strategic Plan Draft & Next Steps

Kia Jarmon reports. She is working with Market Staff and Board on community engagement plan. There was an initial meeting with the board and the conversation was started about buckets the Market should fill in the community. She wrote a summary report and she and ED Kennard met to go through what the buckets could look like.

Next steps include conversations with merchants, community partners, board members and staff. She proposes outlining some community outreach initiatives, examine how the Market is used, how to maximize its use, and propose solutions. How to empower the community in using in the Market. Use online surveys and social media to see what people care about at the Market and how to share that with the Market. Display it not only visually but in the language of the business.

She would like to see the FM on the road. Take ED Kennard and Chair Cardenas to community meetings. Take them out of the Market House and into the community to share news about the Market and let them share with the Market what they are looking for from the Market.

What is important to the process is to create a culture of communication and community engagement. To emphasize the Market is a place to experience so many cultures.

She proposes she present a draft to the Board in April or May, then keep it open for a month to allow for community input. And then create a final draft to that. She has encouraged ED Kennard to think of some short-term goals as well as long-term goals. Five years seems a very long time, but there are already things happening. She suggests revisiting the plan in 2018 and see how staff and board is doing, for accountability and possible changes.

Ms. Norman says she loves the idea of Tasha and Frank going out into the community. Sometimes people aren't willing or able to come to our meetings, but if Tasha and Frank can go to them, that demonstrates the Market's commitment to the community.

Ms. Jarmon says it is important to be willing to meet the community where they are.

Chair Cardenas says he agrees it is important to hold the board and staff accountable, that the staff and board and merchants are on the same page because it is a family and that is how we will succeed. We are a reflection of Nashville. He also encourages that as people travel and visit other markets, examine what is successful and share that information. The NFM can learn a lot from other successful markets.

Ms. Jarmon wants significant input from merchants when she creates the survey. If they are not comfortable on line, she is happy to meet in person.

Market House Applicant Concept Presentations

ED Kennard reports there has been a large number of applicants for the three spaces. Of those, ten met minimal requirements for next steps and were invited to present to the Board. The majority were at the meeting. The slate of applicants was sent to board in advance. The Application process was opened February 1st. Applicants were asked to meet the parameters for space they apply for, commit to sourcing where possible from the market, to using recyclable and compostable products, to operate a minimum of 6 days a week and do all night markets, demonstrate the ability to improve the leasable space, and the ability to keep a 3-5 year lease on \$13-\$20 SF which covers the range of options presented to the board. The NFM collected applications through February, then reviewed. If the applicant did not meet qualifications they were contacted to see if they could. All said yes. The application process and response has really improved the last three years.

Applicants were given a guide for their presentation and advised they may receive questions from the Board. There will be a staff recommendation based on the application, the presentation, concept and how it fits in the Market house. It is asked that the Board consider the staff recommendation.

This application period invited concepts for the 300 SF location (the corral across from SLOCO and Green Asia), the 250 SF former SLOCO space and the 180 SF area between Bowl & Roll and Jamaicaway. They were also allowed to check 'other' and still apply.

Each applicant will present at microphone, alone or with partners. ED Kennard reminds the Board that not all applicants are experienced in presenting and certainly not on television. Each applicant will receive 7 minutes.

Group 1: Kiosk Concepts – no hood – ideal for 180 square feet location:

- Trailer Perk – coffee and pastry kiosk inside the Market House (requesting location next to Bowl & Roll) Amy Croger presents. She explains her concept, reminds Board and staff Trailer Perk has been doing business at the Market from their mobile unit and has proven track record, but she wants a home inside the Market House. Board members asked if she plans to re-create a trailer inside the Market House and she replies yes. She explains her menu, sourcing, and materials.
- Fair Food Paradise – fair style food concept (requesting any space available – no hood) **Fair Food did not attend meeting.**

Restaurant/Build Concepts – no hood – ideal for former SLOCO space + seating if applicable:

- Blooming Art – flower shop (requesting former SLOCO – no hood) **Did not attend meeting**
- Legumes – Ethiopian food concept (requesting former SLOCO – no hood). Owner Saba Berhanu presents, explains her menu and Ethiopian foods, reminds Staff and Board she has been in the Grow Local Kitchen every Monday for a year and has built a strong following. She serves very healthy food. She says she can make her menu without using a hood. ED Kennard confirms the Fire Marshall is in agreement.
- Natchez Hill Winery – Tennessee/Pick TN wine tasting/cheese/retail concept (requesting former SLOCO and seating area for build out – no hood) They are presenting for a second time. Jim Odom presents. They are applying for the SLOCO space, 300 SF corral space inside MH and patio on 7th, but says they want to be in Market so much they would be on the roof. He emphasizes their commitment to partnership. Their presentation includes renderings of what the build-out will look like and says they are plug-and-play, require no additional electrical. Describes their original location and satellite at Fontanel. Would do wines and limited food complementary to wine. Does not need hood. Would apply for ABC license upon approval of application to rent at Market

ED Kennard adds that the Market has spoken to Metro Legal about having an additional alcohol provider in the Market House (Picnic Tap is the other) The Market has the ability to allow other tenants to serve alcohol as long as it remains within their space and they offer the required seating of permitting bodies. What the MH does not have is ability for people buying beer, wine or spirits in one establishment and taking it outside of their space. But the Market can add another permitted alcohol provider.

- Pacific Noodle House – Asian noodle/dim sum concept (requesting former SLOCO – no hood) Kok Hai Tan and Jackie Liu present their concept. Mr. Tan presents. He reminds Board and staff that Green Asia operates successfully in Market. They want to do noodle dishes and dim sum dishes similar to street stalls in Hong Kong. No hood is needed since noodles are done through steam and water and not with grease and fryers. No MSG is used. He describes menu and plan for recycling. Board members ask if they could do this concept in Green Asia. He says no, the two concepts cannot mix. The average check is about \$10.

Restaurant/Build Concepts – needs hood: ED Kennard reminds that the Market does not want to add a hood in the SLOCO space but agreed they would allow applications that need a hood so the Board could see all the options.

- Caracasville – Venezuelan concept (requesting former SLOCO/any available space – needs hood) Fidel Vasquez presents. He has been in the GLK since November 2015. The last two years they have been there one weekend a month. They serve about 350 people on Saturdays and Sundays. He explains the menu, and says that everything they do is from scratch and fresh. The dough for the empanadas is gluten-free. He reminds that Caracasville is the only source for Venezuelan food in Nashville. He says that Caracasville needs a hood because they make lots of smoke, some dishes use a deep fryer and explains their equipment needs. Their average check is

less than \$10. He does about 3-4 events a week on top of Market, is active on social media and can meet the operating hours.

- Gep Nelson – street food/grab and go concept (requesting former SLOCO + any additional space available – needs hood) **Did not present**
- Morph Hospitality – international street food concept (requesting former SLOCO – needs hood) Partners Kevin Woods, AJ Meherish and chef Tom Eckert present. Chef Maneet Chauhan is their president and founder. Their other restaurants in Nashville are Chauhan and Tatsuo and coming soon Mockingbird. The concept is Bunny Chow. Globally-inspired South African street food. Stews in a bread bowl. It comes from old tradition of bringing curries to work in bread bowl. Menu is choice of breads, stews and enhancers that will be put on top. It is fast and flavorful, using local product. It is fast casual, \$8-10 price point. AJ says they would like to add the corral seating space since they have the brewery. They have strong name recognition and strong PR. They prefer a hood but if that is a deal breaker they will work around it. ED Kennard asks how they could operate without a hood. Chef Eckert explains.
- Pepperfire Hot Chicken – hot chicken concept (requesting former SLOCO/any available space – needs hood) **Did not present**

ED Kennard says she will follow-up with the three who did not show up, but urges Board to consider those who presented.

Anchor Tenant Renewal Recommendation

ED Kennard reports she has met with Troy Smiley, and she and Jackie Contreras have met with him. The Market is reviewing the Smiley's feedback to the draft of the renewal terms. Smiley's entered into an anchor tenant agreement in 2014. It does expire this year. This was removed from agenda due to ongoing negotiations with Smiley's Farm. ED Kennard asks it be deferred to April.

Shed Lease Recommendations

Jackie Contreras reports 90 applications have been received so far. 34 farmers (26 returning), 26 Food Artisan, 15 flea vendors and 15 craft vendors. She and Carolyn Sanders have been able to place 77 so far and it is about 99% complete. She is pleased at the number of application. ED Kennard says the Market is in a better position with the parking resolution. She says many vendors are requesting temporary leases, which are 3, 6, 9 or 12 month options. It allows them to hang a sign, and hold onto their space for consistent placement. There are many more than previous years, a record number of lease requests. That is a very positive sign. The intent was to present that today but it is still a work in progress so will do that at the April meeting. There are also several collective applications.

The Winter Wednesday Market has been small but strong and they will try to replicate that in the Sheds on Wednesdays this summer.

She urges Board to come out for Strawberry Jubilee. The Mayor will be attending and ringing the bell for the opening of Peak Season.

Artisan Resident Lease Recommendations

ED Kennard reports that the Artist Residence Program was started a year ago. They commit to operating a minimum of four days and all Night Markets for 12 months. Fountain of Juice and Downtown Candle want to renew. Galena Garlic, which has successfully done business in the Farm Shed, has applied for the third space. Motion made to approve, seconded and carried.

Executive Director Annual Review

Vice-chair Priscilla Norman reports on the ED Evaluation prepared by Brian Copeland, who is not present at meeting. The 2016-17 ED evaluation process was completed, and Mr. Copeland met with ED Kennard on February 22, 2017 with the results. She was evaluated on different areas from Not Satisfied to Very Satisfied and board and staff report that ED Kennard is performing at Very Satisfied level. Areas of strength and areas of room for improvement were noted, growth areas from previous review cycle were met. Department heads are approved per Mayor Barry to receive up to a 4% raise this fiscal year, and given ED Kennard's review, Mr. Copeland recommends 4% to take effect on next pay cycle. Motion made, seconded and carried.

Other Business

ED Kennard reports that the Mayor's State of Metro Address is April 26th. Because Metro department heads, staff and boards are encouraged to attend, and because April 26 is the net NFM Regular Board meeting, she recommends it be changed to Wednesday, April 19. Motion made, seconded and carried. s

ED Kennard reports that Kia Jarmon will be sending out written invitations for meetings. Ms. McCormack notes that the meetings Ms. Jarmon have conducted have been productive and positive.

Chair Cardenas thanks those in attendance, thanks the staff for their hard work and reminds merchants the Board is there for them. There being no other business, he adjourns the meeting at noon.