



A Home of Our Own



The Krewe has discovered a real estate opportunity that would allow us to bring all our needs under one roof and provide KdV with a permanent home.

KdV could stay in the Marigny, house its floats and decorations, parade through the Marigny and Quarter, and have its ball in the same location.

This proposal would also allow KdV to enhance its presence as a cultural contributor, do more to support our artist community, and supplement our income through space rentals.

Before we began any due diligence on this proposal, we discussed it at length with Ray and Jim. They have always wanted the best for the Krewe, they will be part of these conversations as we move forward.

2600 St. Claude Avenue

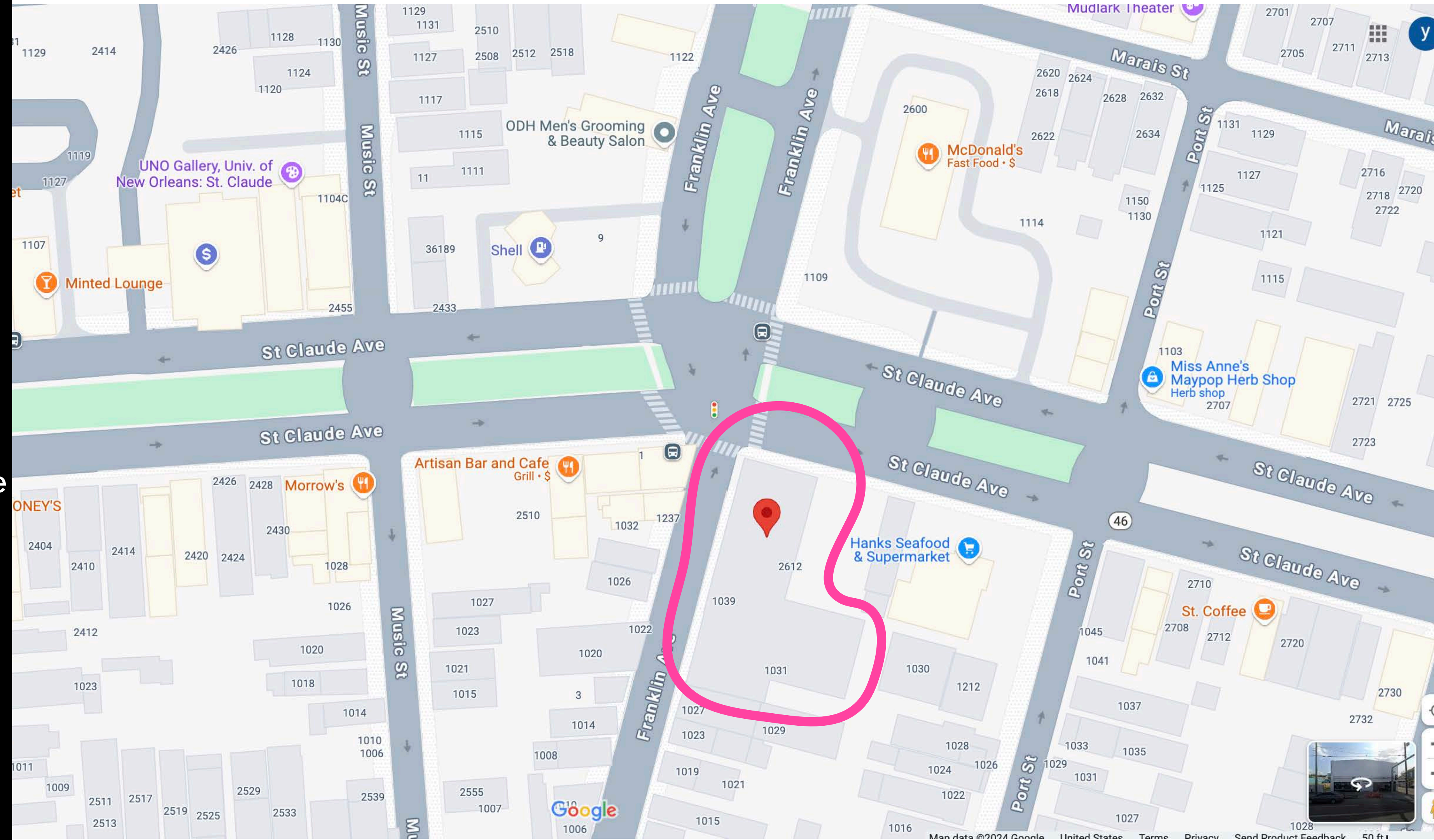
Formerly Frankie & Johnny's
Furniture



The property dominates the corner of St Claude and Franklin Avenues.

It is near Hank's, many bars and restaurants, St Roch Market, and The Healing Center.

The property is two blocks three blocks from Royal Street and four from the Den today.



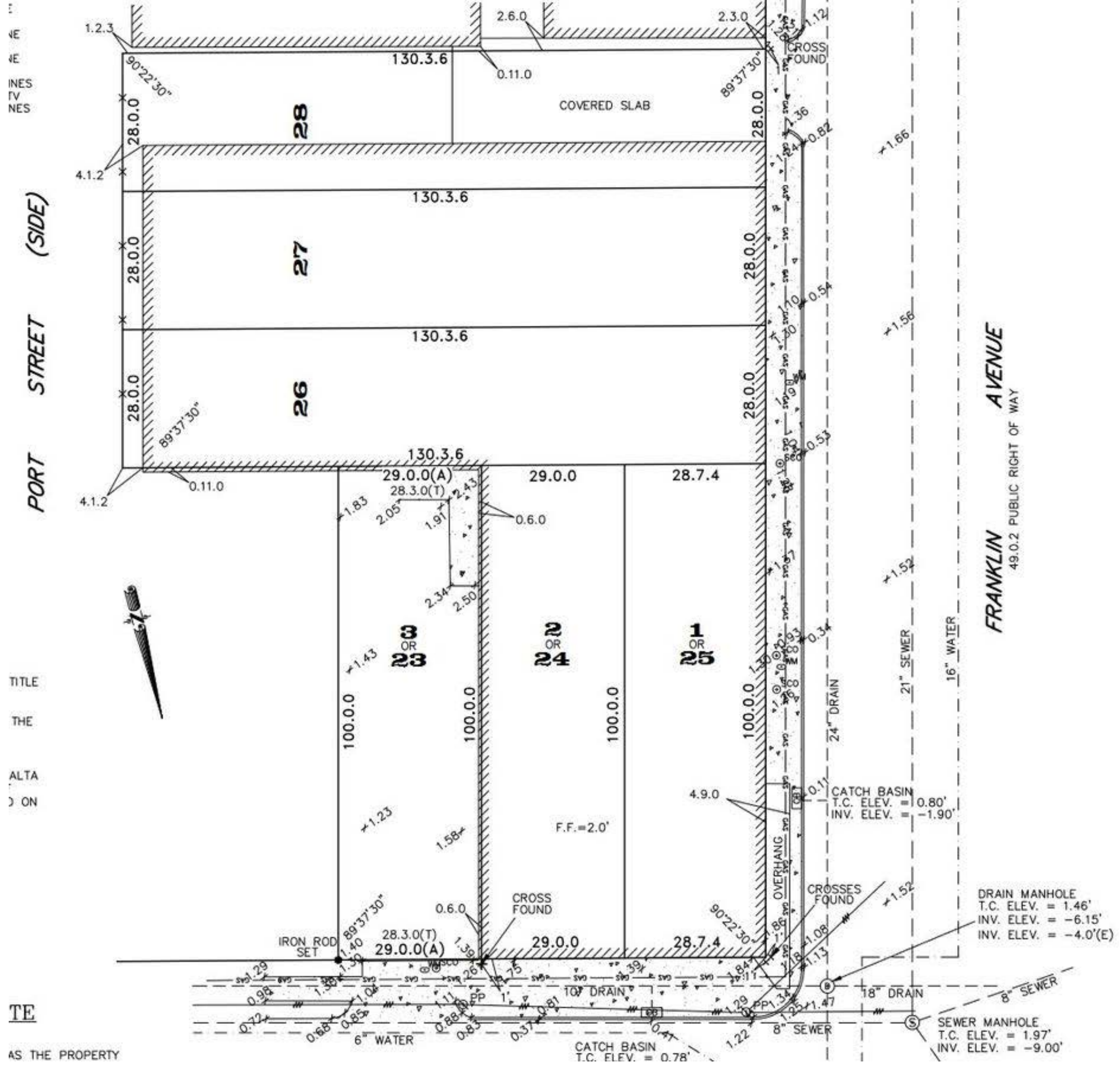


The Franklin Street side of the building offers 184 linear feet for a personalized Krewe du Vieux mural.

2600 St Claude Avenue

Property Details

- The property consists of four lots: 2600 St. Claude, 2608 St. Claude, 1039 Franklin Ave, and 1031 Franklin Ave.
- The property has two connected structures: the two-story former showroom facing St. Claude and the three-story warehouse in the rear.
- There is open space and driveway access in the rear and an empty lot on the St. Claude side for a private parking area.
- The total land area of the combined property is 19,619, or .45 acres. The current building footprint at ground level is 15,000.
- Current zoning is commercial and allows for an arts community and a reception hall.



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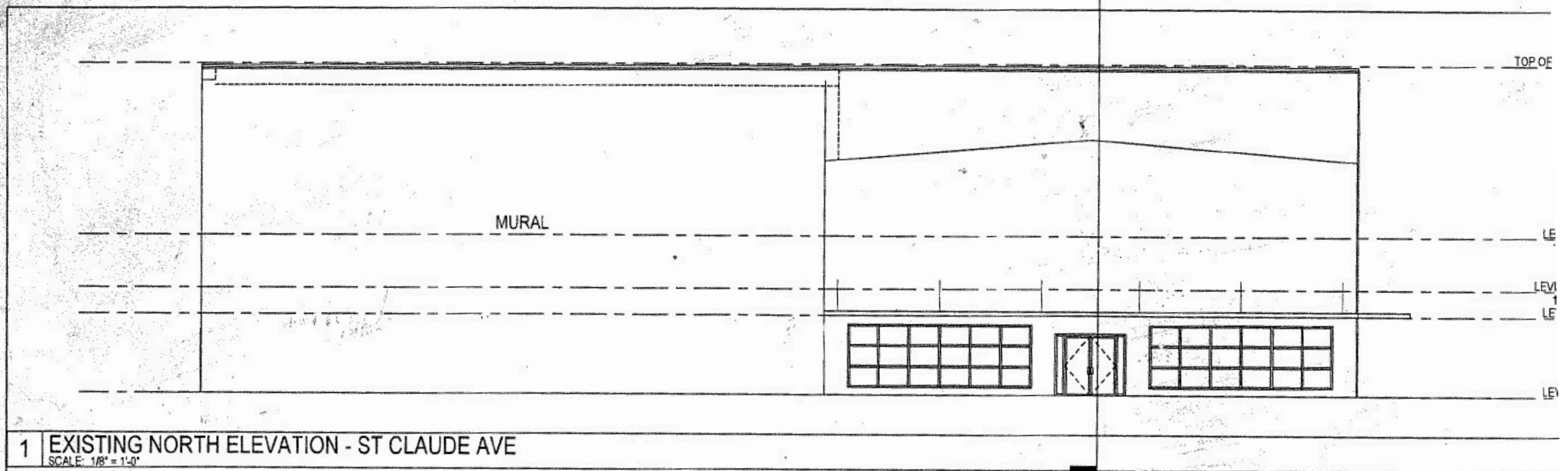
TE

AS THE PROPERTY

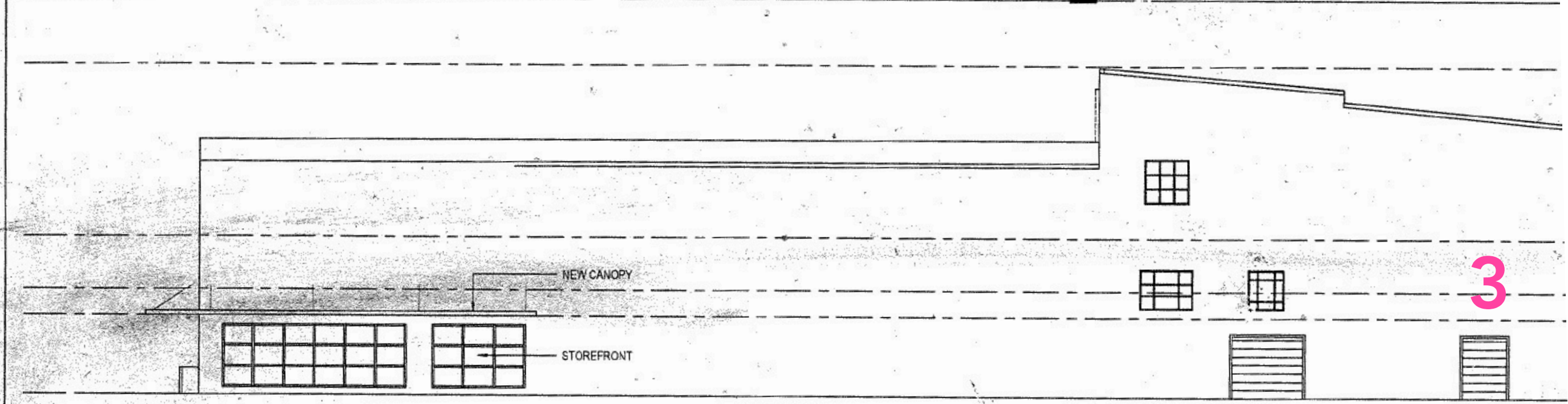
This building has been empty for more than 13 years. To bring it up to today's code, significant repair and replacement of almost all utilities are needed. In addition, some structural changes are needed to make it work for our use case.

Jenn Lilos, Captain of Inane and a lead architect for the City of New Orleans reviewed all the documentation from previous development proposals on the site, mapped the space, and created scoping documents for the necessary changes.

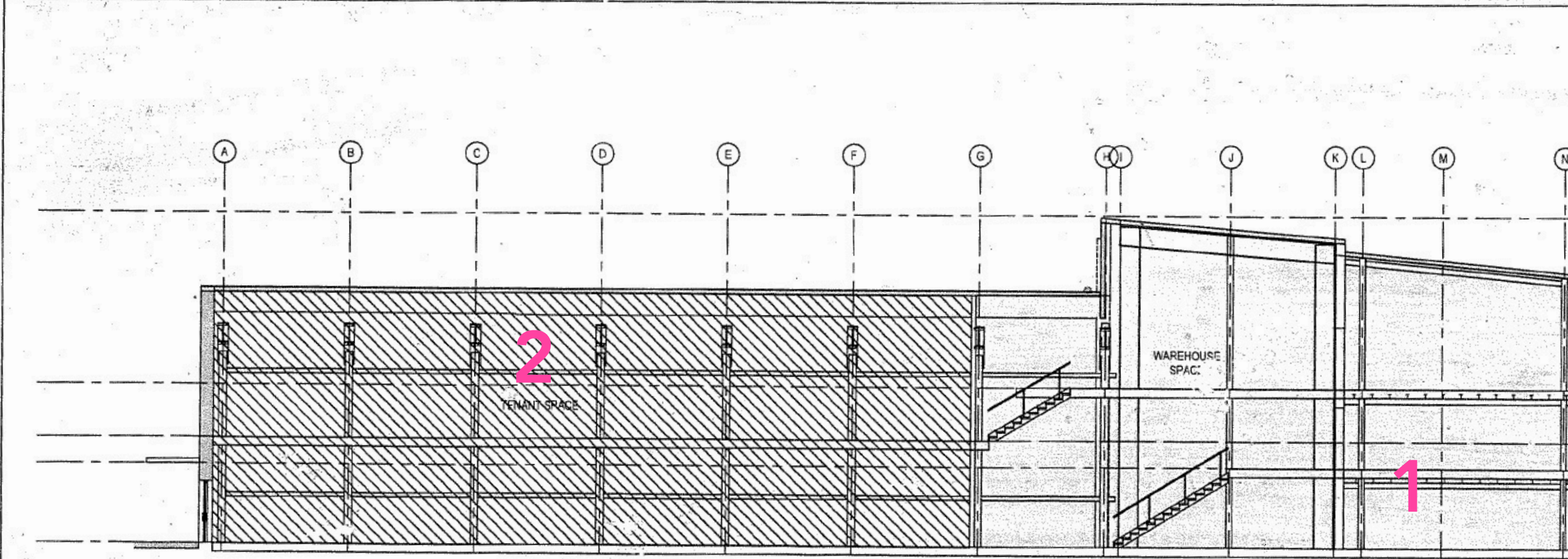
We then brought in a structural engineer, two different contractors, and many Krewe members with special expertise to evaluate our plan.



1 EXISTING NORTH ELEVATION - ST CLAUDE AVE
SCALE: 1/8" = 1'-0"



2 EXISTING WEST ELEVATION - FRANKLIN AVE
SCALE: 1/8" = 1'-0"



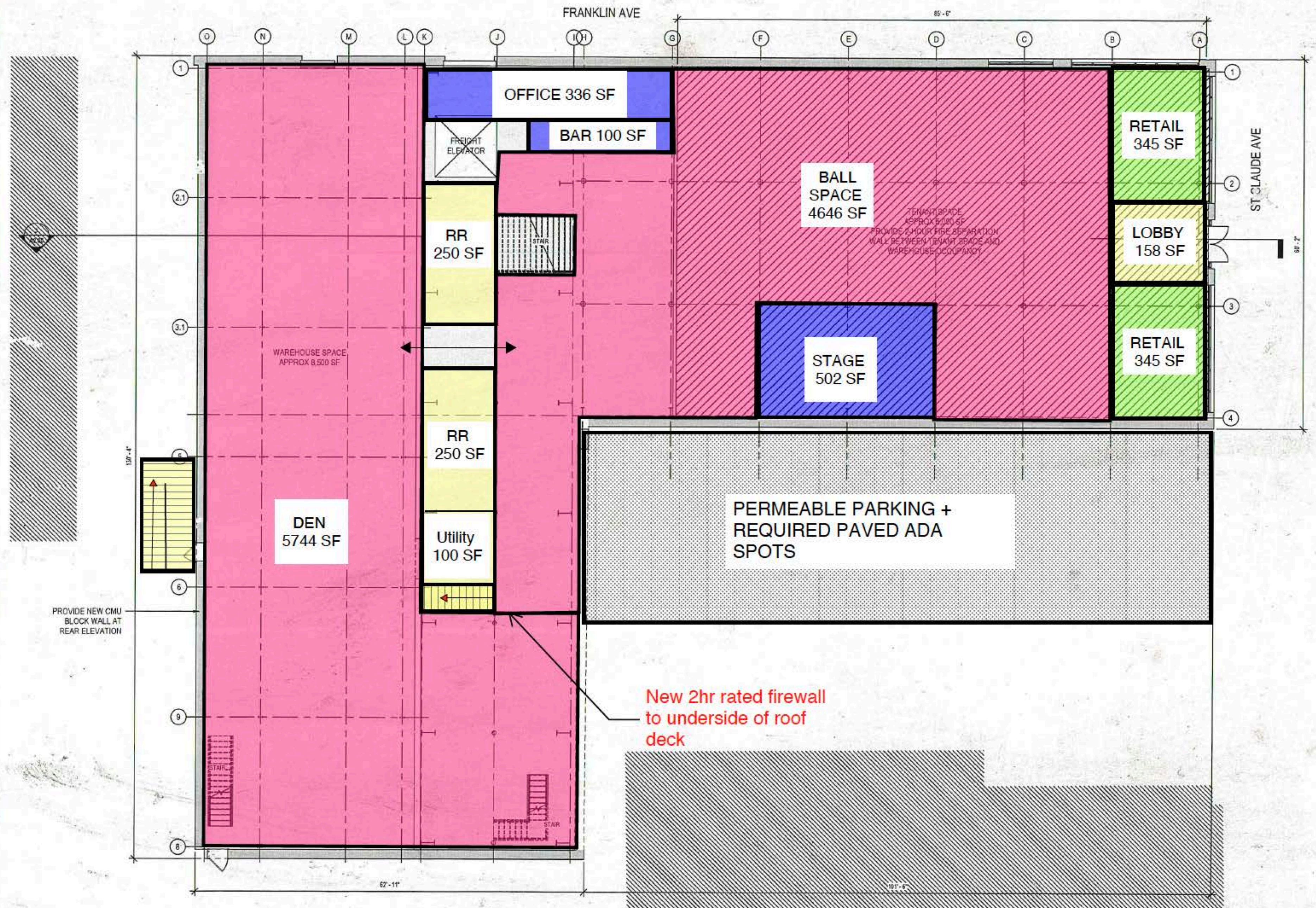
3 PHASE 1 LONGITUDINAL SECTION
SCALE: 1/8" = 1'-0"

To achieve the space that fits out needs, we must make some changes. All these have been approved by a structural engineer and designed by an architect.

- 1) The 2nd floor in the back space would be removed to raise the base level ceiling to 20 ft. The interior stairwell in this section that accesses the third floor will be moved to the exterior.
- 2) Part of the mezzanine in the concert hall would be removed to fully open the space.
- 3) A larger roll down door would in installed on Franklin Ave.

1st Floor Scoping Sketch

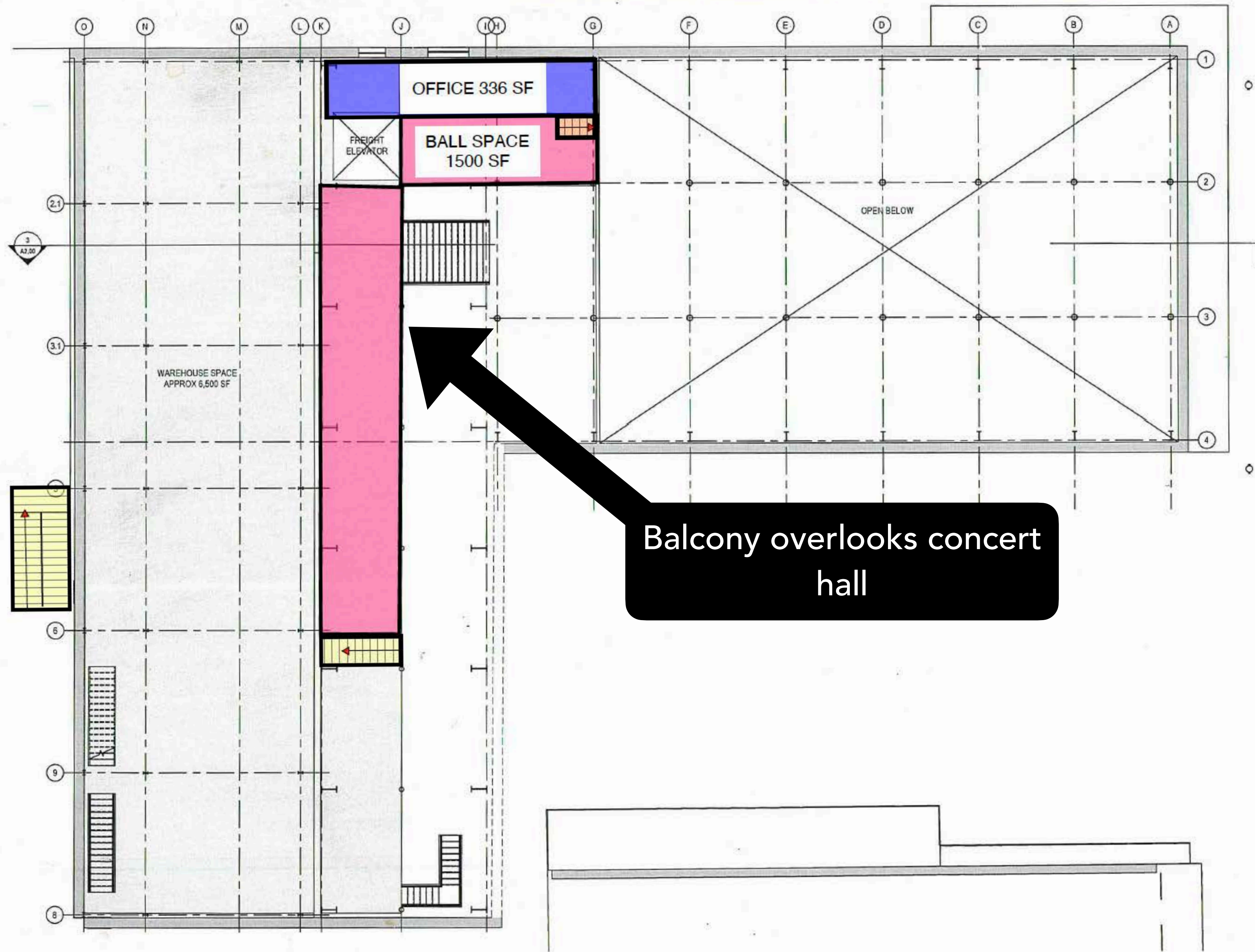
Note that the first floor is 14,500 sq feet total. This sketch is for illustration purposes, not all areas of sq footage are represented here.



Autodesk Docs/Registration Spc: 2610 St. Claude Ave/2510 St. Claude Ave

5/21/18

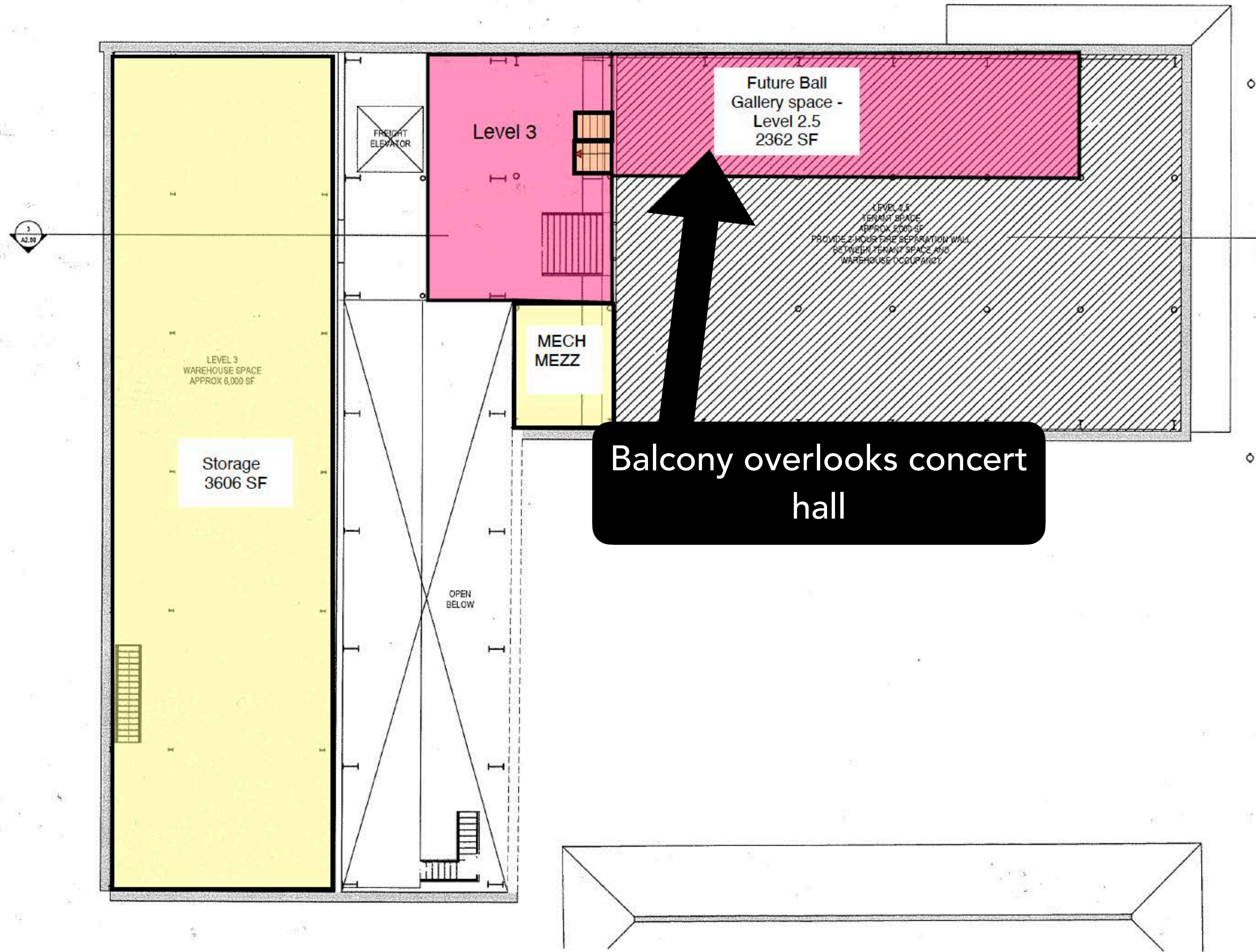
2nd Floor Scoping Sketch



Balcony overlooks concert hall

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3rd Floor Scoping Sketch



Material Desc: 09/09/2008 Syntex 2008 St. Charles Ave/2008 St. Charles Ave
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Final Property Vision

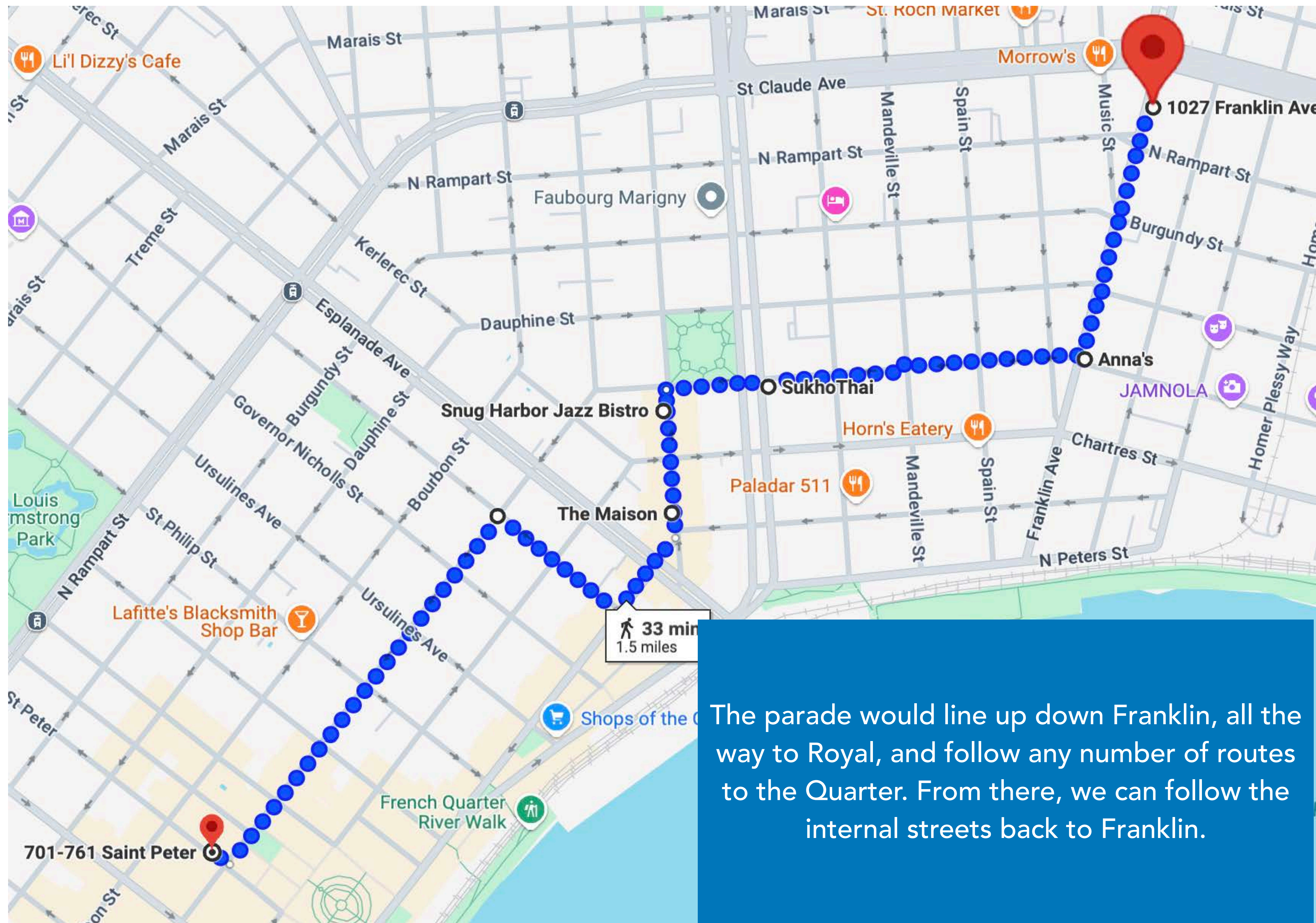
- Float building and workspace that opens to Franklin Ave, with bays for each float. Each float bay has dedicated electric and workspace.
- Outdoor area behind the property with covered seating, cleaning stations, workstations, and dumpster space.
- The former furniture showroom becomes a concert hall suitable for our ball and outside rentals. Part of the second-floor mezzanine is preserved as a balcony viewing area and includes office and meeting space.
- The third-floor mezzanine is converted into a balcony viewing area and Krewe du Vieux museum/gallery.
- Two small bays in the front become retail or gallery space, rentable for income or available for Krewe artists to put on shows/pop-ups.
- Small 3rd-floor gallery/performance space (with elevator!) as part of a later phase.

PROPERTY INFORMATION				
ADDRESS: 2600 ST CLAUDE AVENUE, NEW ORLEANS, LA 70117				
Land Area Total: 19,557 sf				
EXISTING BUILDING GROSS AREA: 33,940 SF			PERMEABLE OPEN SPACE	
Building footprint: 14,302 sf			REQUIRED: 2,928 SF	
EXISTING BUILDING HEIGHT: 31 FEET (NO MODIFICATION PROPOSED)			PROVIDED:	
Parcel 1	2600 St Claude	5700sf		
Parcel 2	2608 St Caude	2900sf	2900 open space	
Parcel 3	1039 Franklin	3640sf		
Parcel 4	1031 Franklin	7280sf	2437.5 open space on franklin	
		19520sf	257sf open space set back behind bldg 2	
		Total =	5594.5	(Need to back out paved areas
Zoning District:				
HISTORIC MARIGNY/TREMÉ/BYWATER COMMERCIAL DISTRICT(HMC-2)				
Overlay Districts:				
EC Enhancement Corridor Design Overlay District				
HUC Historic Urban Corridor Use Restriction Overlay District				
Bed and Breakfast Interim Zoning District				
Commercial Short Term Rental Interim Zoning District				
CURRENT USE: VACANT				
PROPOSED USE:				
Occupancy	Space	area (sf)	sf/P	Total Occ Load
Assembly Group A-2	Ball Area - 1st floor standing	5	4646	929
	Ball Area - 2nd fl chairs	7	1500	214
	Stage, bar, office	15	936	62
Assembly Group A-3	Den - Ball Use (T & C)	15	5744	382
Buisness Group B	Den - standard use (w/ Floats)	7	2144	306
Mercantile Group M	Retail	60	690	11
Accessory Storage Areas	3rd floor	300	3606	12
	Future use as 2nd performance space	5	3606	721
Assembly Group A-2	Future 3rd balcony	7	2362	337
			Tot OCC	2668
				Ball Use

Based on the draft space plan and city occupancy code, a Krewe du Vieux event has a capacity of **2,668**. More than enough for our ball!

A venue rental has a capacity of **just under 2,000**. With that capacity, venue rentals range from \$10,000-\$15,000 per event. We can rent **12-15** times per year without special permitting.

	Location	Capacity	Venue Rental Only	Extras Required	End Time	Notes
Sugar Mill	Warehouse District	3,500	\$27,500	Bar buyout	2 am	Low cap/sq ft
Generations Hall	Warehouse District	2,500	\$22,000	Bar buyout	2 am	High cap/sq ft
The Fillmore	CBD	2,200	\$20,000	Bar buyout	2 am	
House of Blues	French Quarter	1,800	\$10,000	Per person food & Bev	2 am	
Empire	Warehouse District	1,800	\$10,000	Bar buyout	2 am	
NOCCA (Solomon Family Hall)	Marigny	1,500	\$10,000	Catering	10 pm	Summer only & not on public market
The Civic	CBD	1,200	\$20,000	Bar buyout	2 am	
The Orpheum	CBD	1,200	\$12,500	Bar buyout	2 am	
The Joy	CBD	1,200	\$10,000	Bar buyout	2 am	
Carver Theatre	Treme	750	\$7,400	Bar buyout	12 am	
NOAC	French Quarter	500	\$7,500	Catering	10 pm	
The Jaxson	French Quarter	450	\$7,500	Per person food & Bev	10 pm	
Toulouse Theatre	French Quarter	400	\$7,500	Bar buyout	2 am	
Rosy's Jazz Hall	Riverside	300	\$5,000	Catering	12 am	
Marigny Opera House	Marigny	250	\$7,500	Catering, security	10 pm	
Capulet	Bywater	250	\$10,000*	Pricing includes pp Bev	10 pm	All pricing includes bar
NOCCA (Press St Gardens)	Marigny	200	\$4,500	Catering	10 pm	Summer only



The parade would line up down Franklin, all the way to Royal, and follow any number of routes to the Quarter. From there, we can follow the internal streets back to Franklin.

We can make the math work.

The building must be purchased in cash, but it is going for far below land value. It is owned by an out-of-state investor who has had multiple development projects fall through and is getting monthly nuisance fines from the city.

He intends to demolish the building and part the land if we don't buy it. Their demo permit hearing will be in November.

	Costs
Purchase	\$600,000
Construction	\$1,600,000
Total Cost	\$2,200,000
Post Construction Value	\$2,750,000

Raise from Investors	\$700,000
Construction Note (12 month interest only, draw based)	\$7,000/mo avg
Commercial loan (5 yr/balloon/refi)	\$11,000/mo est

	Income
Dues & Fees	\$215,000
Farmacia	\$80,000
Fundraisers	\$30,000
Retail Rent	\$20,000
Venue Rentals	\$180,000
Total	\$525,000

	Expenses
Loan Payments	\$132,000
Investors Payback	\$120,000
Brass Bands	\$26,000
Vieux Doo Music, Art & Exp	\$30,000
Parade Expenses	\$25,000
Merchandise	\$30,000
Insurance (Flood, Wind, Etc)	\$42,000
Property Taxes (Year 1)	\$10,000
Total	\$415,000

Even if the city does not move our ordinance forward, we have enough cushion to cover police and sanitation. And both of these items will be cheaper if we stay on our side of Canal St.

The numbers make sense.

Adding a KdV C3 organization makes them even better AND emphasizes our cultural contributions.

How We Can Get it Done

Investment Group process

- People join an investment group of \$700,000, which includes \$600 for purchase, \$100 for closing costs, and a first-year construction loan.
- Investment group terms: You get your money back within 5-7 years. This is a loan to the Krewe, not an investment with expected appreciation.
- The investment group sells the property to the Krewe. The Krewe takes out the construction loan.
- There will be significant equity in the property at this price, but we will have to collateralize a portion of the loan (guarantors).
- The Krewe makes monthly payments on both the mortgage and the construction.

SWOT

Strengths

The Krewe has a permanent home in the Marigny
The ball can be held in the same space
We can control costs
There is a space for year-round community
We become more central to the neighborhood

Weaknesses

We have to raise the money
Leaving the existing den is hard
We will have to manage ourselves
We can't DIY the whole thing

Opportunities

The Krewe can become more active all year
We can rent the venue for more than enough to pay the notes
Sub krewes would have space to meet
We can contribute to the arts community
Retail space for pop ups lets Krewe artists make money
Starting a C3 gives us a cultural mission and no property taxes

Threats

It's a big undertaking for a volunteer group
The investment group could have issues
There could be strain between those who can and can't invest
The Krewe isn't always comfortable with money talk
We have to grow up (somewhat)

The Captains Decide

Do we move forward?

- We have significant interest in funding this project, and are confident that we can raise the money within 30 days.
- We will retain outside counsel to write the real estate partners' operating agreement, detailing the intent for this to be a Krewe property and the rights and expectations of investors.
- We have a term sheet from Metairie Bank, who sees the potential and can close this quickly.
- We have an acceptable construction estimate from Lee Paige and Ibis Builders that takes us up to getting our Certificate of Occupancy, then the Krewe puts in sweat equity.
- We have buy-in from a large part of the neighborhood, NOPD, FMIA, and the Council members.