



MUNICIPAL MARKET

PRESENTATION TO FINANCE/EXECUTIVE COMMITTEE

MARCH 1, 2023

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OBJECTIVES

- Are the Municipal Market and the City of Atlanta complying with the terms of the lease?
- Does the Municipal Market Board of Directors provide effective oversight of market operations?
- Is the Municipal Market operating as an effective small business incubator?

PRESENT-DAY MARKET

- Public market located in the historic Sweet Auburn district
- Owned by the city
- Leased to the Municipal Market Company since 1924
- Overseen by 9-member Board
- Space for 29 vendors



Source: Eater Atlanta website

KEY RESPONSIBILITIES UNDER LEASE AGREEMENT

Lease agreement between the Municipal Market Company and the City of Atlanta outlines four main responsibilities:

- repaying the city for a Section 108 federal loan
- providing rental payments to the city
- submitting audited financial statements, unaudited quarterly reports, and annual budgets
- maintaining the market building

FINDINGS OVERVIEW

- Compliance with city lease agreement provisions could be improved
- Municipal Market lacks effective oversight
- Municipal Market Company is maintaining the facility

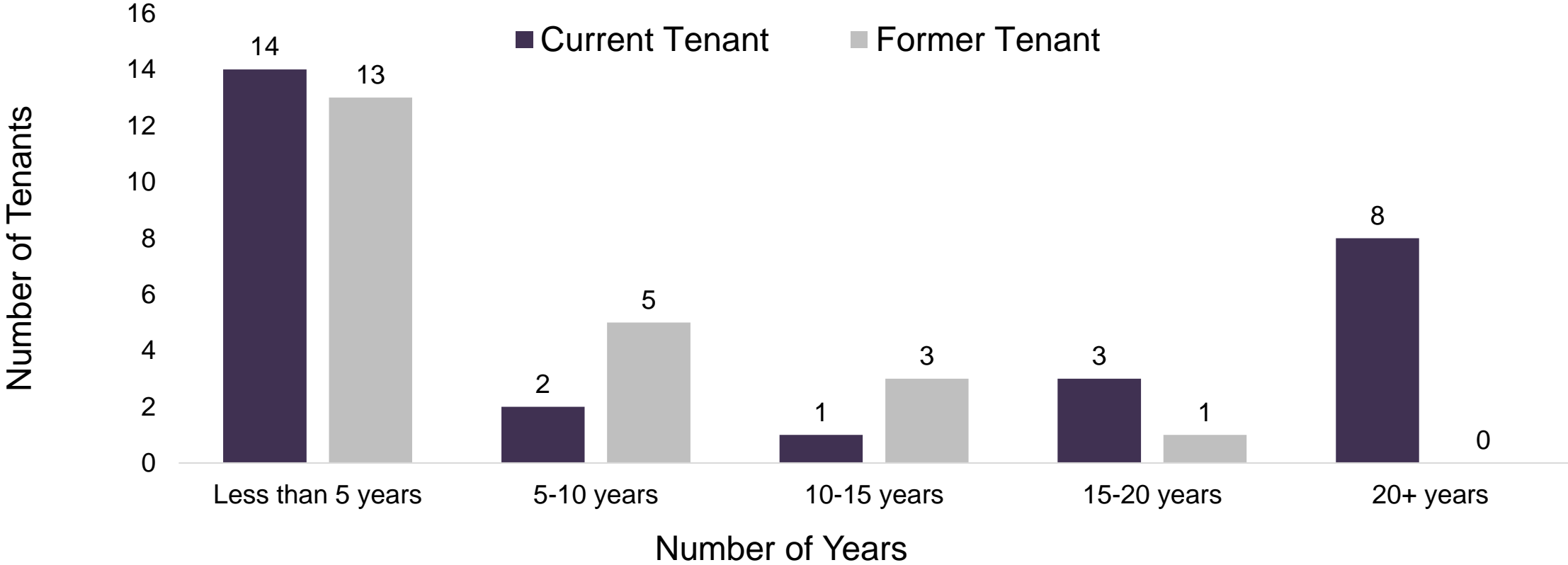
COMPLIANCE WITH CITY LEASE AGREEMENT PROVISIONS COULD BE IMPROVED

- Municipal Market has made no lease or loan payments to the city
- Municipal Market is not consistently providing reports to the city

MUNICIPAL MARKET LACKS EFFECTIVE OVERSIGHT

- Market tenants receive public subsidy, but public benefit is unclear
- Board of Directors should provide strategic direction and oversight

SOME TENANTS HAVE OPERATED AT THE MARKET FOR DECADES



Source: Developed by Auditor based on Municipal Market tenant tenure data provided by General Manager of the Municipal Market on 11/08/2022

RECOMMENDATIONS

1. Work with the Law Department to terminate the current lease with the Municipal Market Company and renegotiate terms and provisions of the lease
2. Conduct annual inspections of the market facility to ensure it is adequately maintained
3. Enforce the submission of accurate and timely audited financial statements, unaudited quarterly reports, and budgets for each fiscal year from the Municipal Market

RECOMMENDATIONS (CONT.)

4. Work with the Department of Enterprise Asset Management to include an updated and clear statement of purpose in a renegotiated lease with the Municipal Market Company
5. Request a strategic plan from the Municipal Market Company that details how it will fulfill its lease obligations to the city and that includes performance measures to ensure the public subsidy benefits the community
6. Make appointments to fill vacancies and ensure that all board members are serving on current terms

QUESTIONS?