



JPOIG Overview

Review of Lease Transactions for
Multi-Use Development #2025-0001

July 9, 2025

Why We Did This Review

The purpose of this review of lease transactions involving Jefferson Facilities, Inc. (JFI) was to evaluate compliance with applicable laws; assess the adequacy and effectiveness of processes to solicit and select potential tenants; and evaluate the terms of the leases. The scope of this evaluation relied upon data from 01/01/2022 through 12/31/2024.

What We Recommend

1. JRI, in coordination with JFI, should cancel the project as it is currently constituted, in favor of developing and issuing an RFP that establishes fair and reasonable criteria for soliciting suitable tenants for two commercial lease spaces in accordance with the Parish approved funding.
2. JRI, in coordination with JFI, should cancel the project as it is currently constituted, in favor of critically reevaluating lease terms to achieve a more favorable outcome which will protect Parish funds committed to its development.
3. The Parish Council should secure the expertise of legal counsel with expertise in representing commercial developers to provide comprehensive advice on risks attendant to these transactions and sufficient experience, directly or indirectly, with governments of a similar size and budget as Jefferson Parish to adequately equate the risks given the unique nature of this transaction.

What We Found

The review of the Jefferson Facilities, Inc. (JFI) leases with POB Gretna Beer, LLC and POB Restaurant Gretna, LLC found:

- ❖ JRI failed to establish fair and reasonable criteria for the lease, management, and occupancy for two commercial leasable spaces constructed with public dollars.
- ❖ JRI, in concert with JFI, selected a vendor without requiring sufficient details to support an informed selection.
- ❖ JFI entered into leases with POB Gretna Beer, LLC and POB Restaurant Gretna, LLC which are materially deficient as terms and conditions are incompatible with those that may be executed in the private sector exposing both JFI and the Parish to unreasonable and incalculable long-term risks.

The review concluded that the process was tainted by preexisting and ongoing discussions with a specific entity, Port Orleans, for the design and occupancy of the spaces. Prior to developing and advertising the RFP in May 2023, JFI was engaged with Port Orleans in designing the space to meet specifications of Port Orleans (and Avo Taco) for the commercial spaces.

To support and facilitate this evaluation, the JPOIG engaged the services of a commercial lease expert who concluded the leases were “materially deficient on multiple levels,” and there are “significant omissions, and vague or limited detail in certain/important lease language.”

The JPOIG also reached one observation:

- ❖ The inclusion of Avo Taco in the proposed commercial development cannot be verified. No documentation confirms Avo Taco’s formal participation. This lack of verification raises concerns about the transparency and accuracy of the development’s tenant representation.

The JPOIG received 3 responses. They are from Councilwoman At-Large Jennifer Van Vrancken, (Interim) Councilman Joe Marino, and JFI joined by JRI. Councilwoman Van Vrancken agreed with all three findings and recommendations, with written reason and suggested modification. Councilman Marino and JFI joined by JRI did not specifically agree or disagree with findings and recommendations. Rather, responses recognized this is an “unproven market for this type of facility” which is being constructed with “Federal ARPA dollars.”



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