



Kevin Pedeaux
Coast Roast Coffee
New Orleans, LA

Date: August 10, 2020
Location: New Orleans, LA
Interviewer: Justin Nystrom
Transcription: Technitype Transcripts
Length: Fifty-nine minutes
Project: COVID-19

Justin Nystrom: My name is Justin Nystrom. I'm here at Coast Roast Coffee at 3618 Magazine Street.

[00:36:57]

Kevin Pedeaux: CR Coffee Shop.

[00:00:15]

Justin Nystrom: CR Coffee Shop. TheCoastRoast.com.

[00:00:20]

Kevin Pedeaux: Mm-hmm.

[00:00:22]

Justin Nystrom: And I'm here with Kevin Pedeaux, the founder of CR Coffee Shop, and we're here to talk about the COVID-19 quarantine effect on food and beverage, for the Southern Foodways Alliance. Today is August 10, 2020. I think that's everything I'm supposed to put on the header.

[00:00:53]

Kevin Pedeaux: Gotcha. [laughs]

[00:00:54]

Justin Nystrom: All right, Kevin. Thank you very much for being here with me.

[00:00:58]

Kevin Pedeaux: Sure. No, I'm around. I appreciate you coming.

[00:01:02]

Justin Nystrom: Great. So before we dive into COVID, can you kind of tell us how you came to be here, a coffee guy? Because you weren't always a coffee guy.

[00:01:15]

Kevin Pedeaux: I've been doing coffee now, I mean I've been full-time fully in the coffee business for twelve years, so we've been roasting coffee, supplying coffee shops with coffee very, very, very, you know, in a nutshell, how that came to be. My great-grandfather built a summer house over in Long Beach, Mississippi, and I met my partner, Shawn [Montella], over there, had a little coffee shop right after—well, he had it before [Hurricane] Katrina, but after Katrina, the guy he was buying coffee from lost his roaster, so he was planning on roasting his own coffee, and I knew a little bit about coffee roasting, enough to drum up a friendship with him, and so he and I kind of became friends over the coffee roaster and I started distributing the coffee out, he started producing the coffee, and so we were just roasting in his coffee shop and ended up moving into a shed out back, and now finally into a bigger plant, you know, over time.

I got into coffee shops. We ended up buying one of our accounts in Ponchatoula, and we operated that shop for seven years. Then, of course, I live over in Bywater, so when St. Roch [Market] was becoming available, I jumped on that, because I know

enough about coffee shops to know I didn't want to do a coffee shop. [laughs] But St. Roch was cool because I could just do coffee, and the rest of the building could do food and kind of create that draw as well. So we were there and people really—we did well. We did great at St. Roch. St. Roch was definitely one of our biggest, you know, or one of my biggest success stories. We were there for five years until we had to close for COVID, which I'm sure we'll get into.

So after we did that, we kind of got a local following. Then the people who did St. Roch did Auction House Market, and they were like, “Hey, you want to—?” Well, that seems like a natural fit, you know, so we did the coffee shop at Auction House.

[00:03:19]

Justin Nystrom: And Auction House is located—

[00:03:21]

Kevin Pedeaux: Julia [Street] at Magazine, 801 Magazine.

[00:03:24]

Justin Nystrom: 801 Magazine.

[00:03:23]

Kevin Pedeaux: Correct. So we did that about—maybe two years ago now we've been there, and then the space that we're sitting in today, which I've dubbed CR Coffee Shop to kind of give it its own identity beyond the coffee, because we're going to do a lot of

different—we do pop-ups here, we do some various little food items and things. So this, of course, has been a big project.

This particular location came about because, like you mentioned, prior to me being in coffee, twelve years ago I was in television news and I had a friend of mine, Kurt [phonetic], his brother's a property manager in New Orleans and his brother bought this piece of property that we're sitting on right now, so his brother, Bernard, I really can't—he was like, "Hey, I've got this great spot on Magazine. I think it would be great for a coffee shop."

And I told him, "Absolutely not." [laughs]

Anyway, he ended up twisting my arm on it, and I can't thank him enough for doing that, because this has been a really cool experience. So, anyway, that's it in a super nutshell. [laughs]

[00:04:28]

Justin Nystrom: So you opened this location October 18th, 2019.

[00:04:35]

Kevin Pedeaux: That's correct, yes. Did I tell you that date, or did you look that up?

[00:04:39]

Justin Nystrom: I did a little research.

[00:04:41]

Kevin Pedeaux: Okay, because I remember that date because it was October 15th that the Hard Rock fell, if you remember that.

[00:04:49]

Justin Nystrom: Oh, yeah. How could we forget?

[00:04:50]

Kevin Pedeaux: Can't forget that. And I was in the block when it came down. I was right there by the NOAC. I was on the phone with my carpenter, who was working here, and we were putting the final touches on this place, and, I mean, that building came down like right in front of me. So when you said the 18th, I'm like, "That's exactly the day." I think people forget what exact days a business is open, but I'll never forget. We opened here on October 18th. It's tattooed in my brain. [laughs]

[00:05:20]

Justin Nystrom: I'll bet. I'll bet, yeah. I know Phillip Lopez, who's the chef at Galatoire's, said he had just walked by.

[00:05:27]

Kevin Pedeaux: Oh, really? Wow. Yeah, it was wild. It really taught me a lot about, you know, like how your brain interprets that. I saw the whole thing before my brain really caught up with the reality of what was going on. It was definitely a weird brain—

[00:05:45]

Justin Nystrom: Traumatic.

[00:05:45]

Kevin Pedeaux: Maybe. Yeah, I guess traumatic could be it. I guess, you know, yeah, I guess traumatic is probably the word. But it was just so—it takes a while for your brain—I guess what I was saying was it takes a while for your brain to catch up with, “Oh, this building—.” Like I saw it. “Oh, the building’s falling. That building is coming down.” But the magnitude of that event and my safety in this situation, it took me a while to actually, like, come up with that, you know, final—you know? It took a [unclear]. Yeah.

[00:06:17]

Justin Nystrom: Yeah, I know what you mean. It’s weird. So when did you first hear about COVID?

[00:06:30]

Kevin Pedeaux: I think the first time I—I mean, it’s hard for me to say the exact first time I remember seeing it, but I remember the first time I remember hearing about it or thinking about it. Let me say this. I remember the first time I was thinking about it and really hoping that it wasn’t going to be a major thing. So it was like Mardi Gras. If you look back through my Twitter, you will find it. I took a picture of—there was a group of people dressed like the Corona beer, you know, and they were doing a dance or whatever, and I tweeted a picture of it because it was, you know, fun at the time and comical. I

think my catch was, “I caught this group so you don’t have to,” you know. [laughter]
Something to that effect.

[00:07:16]

Justin Nystrom: I recall it.

[00:07:18]

Kevin Pedeaux: And, you know, after I tweeted that, I was like, “Man, I hope that really doesn’t actually become a serious thing.” [laughs] Like, that was the first time like I was thinking, like, I’m reading about it being serious, but, I mean, we’ve had other scares of viruses and things before with, you know, various SARS and then bird flus, so I really didn’t at that time, of course, didn’t realize the immense gravity of it, you know.

[00:07:18]

Justin Nystrom: But that changed.

[00:07:49]

Kevin Pedeaux: That changed. I think the biggest—you know, coffee shops, whatever coffee shop it is, you know, it’s going to do—this is the addiction business, you know. So people that are on their way to work kind of come in every day. There’s a number, sales figure that we hit every day, and, of course, as [unclear] grows, that number will get bigger, but like, you know, once things—even before things started to close, when people were still rationing out the grocery store, I mean, we saw our sales just—and when school

closed, I mean, the sales just tanked, and I mean really—of course, you know, anybody who’s in any sort of business knows it’s all about the cash flow, you know. So when that cash flow dried up that quick, you know, within a day or two, I’m like, “Man, we’re going to have to take some major action here.” Because for a small business, even a week or two of lost revenue is a big deal, you know, not an ending situation, but something that you need to account for in your accounting.

So when we were looking at a couple of days, you know—I belong to this like businessowners association, it’s GNOEA, the Greater New Orleans Executives Association, and so I’ve been in that group for a number of years now, and it’s mostly old guys. [laughs] I think they just like to get together for breakfast. I hope they don’t read any of this. [laughs]

[00:09:24]

Justin Nystrom: They would probably agree.

[00:09:24]

Kevin Pedeaux: They would probably agree, yeah. But I was calling all of them. “What should I do? What should I do? This is not looking like this is going to end soon, you know.”

And they’re like, “Kevin, look. If you’re going to have any chance—.” And this was before PPP [Paycheck Protection Program]. This was before—I mean, we were—when the nuclear bomb of this thing went off, you know, like, as I’m sure what you’re doing here, the service industry, restaurants, you know, coffee shops, we took the first

initial major hit. It was immediate. It wasn't like a computer company that does software for airlines that kind of gets hit in the next couple weeks or months. We got hit that day.

So their suggestion to me was to immediately lay everybody off if you want to have a business to—if you want to have a business for them to come back to, you know, when the top line of a business goes to zero, then there is no business underneath that, so you need to lay everybody off immediately, you know, and make adjustments from there. So that's what we did.

[00:10:27]

Justin Nystrom: How many people did you have?

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Kevin Pedeaux: We had, I want to say, twelve to eighteen.

[00:10:33]

Justin Nystrom: A fair number.

[00:10:34]

Kevin Pedeaux: A fair number. My manager at the time—and I've had baristas with me for three to four years—my manager that was with me, he was with me since I opened [unclear].

[00:10:46]

Justin Nystrom: Wow.

[00:10:47]

Kevin Pedeaux: And so, you know, he came here for a while until that was just not a thing anymore. And, of course, you know, his scare and everyone's scare on exactly how contagious is this, what it's safe to do, you know, there was a lot of that. So definitely, you know, the employee end of it was definitely a major—I don't regret any decisions that we made now, in retrospect, you know. I think, you know, getting everyone off of payroll was really truly the only way to save the business. If we'd have kept everybody on payroll, it would have drained everything we had very quickly, so we've been able to sustain because of that.

So the only person that I have today that was with me when it went down was Krista [phonetic], and so her and I, the way I was looking at it was I had three coffee shops worth of stuff: coffee, milk, you know. I've got \$1,200 worth of milk sitting around, you know, when we shut. So I was like, "Well, if I'm going to go socially distance, like sit at home and work on the computer, I might as well come sit in the coffee shop here by myself and work on the computer." So I was working here and just kept the door open, and anybody who wanted to come in, we were selling five-pound bags of coffee, we were running home deliveries. I think we were selling milk, you know, for people that needed that, because the coffee shops were out of it, you know. So we did seem to kind of pivot into a very—not that people were coming in for coffee in the cup, but people were definitely coming through the coffee shop for retail stuff.

So I stayed around. We rang up five pounds of coffee people ordered online, and I would lock the door here and go run the delivery and come back. There was no traffic, so it took me no time at all, put a sign on the door, “Hey, be right back,” you know. And anytime that I wasn’t here, Krista was here. So we were able to maintain really for a couple of weeks. We moved down to 7:00-to-2:00.

Once we got the PPP funding, it made a lot of sense for us to jump back to 7:00-to-7:00, so we brought back some people, maybe one or two other people. I’m not exactly sure how many people we brought back at that moment. “But let’s expand it to 7:00-to-7:00 and let’s do it.”

[00:13:12]

Justin Nystrom: Let me ask you about the Paycheck Protection Program.

[00:13:16]

Kevin Pedeaux: Sure.

[00:13:17]

Justin Nystrom: So when did you become aware of it and say, “I’m going to jump on this”?

[00:13:24]

Kevin Pedeaux: So while I was at the coffee shop by myself [laughs], man, I was looking at everything. We did a big like—you know, I was talking to somebody—oh, we had people that were giving me donations to bring some coffee to the hospitals.

[00:13:45]

Justin Nystrom: I recall that.

[00:13:46]

Kevin Pedeaux: And so when that started, somebody was like, “Oh, yeah, and you ought to talk to this—.” I saw the Krewe of Red Beans is doing a thing, so I got with Devin [De Wulf] early, and so I was working with him really through their whole deal, and that was a huge life saver for us. We were able to—he was buying coffee—well, people were donating to Krewe of Red Beans and we were buying stuff and we were delivering to the hospitals coffee, and that was really—I mean, out of all the experiences in my life, that’s one of the ones that was just such a positive experience, because people were stuck at home and felt helpless, so they were donating a little bit of money to Krewe of Red Beans, and then Krewe of Red Beans was paying me to run the coffee. For me, that brought in just enough business for us to pay the rent here.

[00:14:40]

Justin Nystrom: Devin’s last name escapes me.

[00:14:43]

Kevin Pedeaux: Um, not—

[00:14:43]

Justin Nystrom: It can be looked up later.

[00:14:45]

Kevin Pedeaux: Yeah. [laughs]

[00:14:49]

Justin Nystrom: He's done a lot of—

[00:14:49]

Kevin Pedeaux: He's done a lot of stuff, and it was a huge—so that was huge, because like, okay, now we're not bleed—like we're selling coffee. You know what I mean? We've got our rent covered and got other things covered, I mean our electricity and whatnot. We're taking stuff, money that I have, inventory, and turning it into cash. We're not making money by any stretch of the imagination, but we're moving inventory that is from coffee beans that we have sitting around at the coffee shop. So I moved everything from—I moved all my inventory of cups and everything from the two coffee shops into this place, sold it out of here to kind of keep this place sort of afloat.

So, anyway, when you say go back to Paycheck Protection, I was sitting at the computer, I was on *everything*. I mean, what is there out there to—so, I mean, anything from—I think the Main Street is the new one now, you know. Like anything, man, I'm on

it. I mean, anything that could be an emergency lifeline that might save this business, man, it's my responsibility to be on it, you know.

[00:15:58]

Justin Nystrom: How long did the PPP take?

[00:16:05]

Kevin Pedeaux: To fund? The PPP did not—so I'm trying to see what would be the—I have a brother-in-law at Whitney Bank. [laughs]

[00:16:19]

Justin Nystrom: That helps.

[00:16:19]

Kevin Pedeaux: So, you know, I did it the New Orleans way and I was funded fairly immediately. [laughs] But, no, but seriously, actually so it's funny. He can't be on my account. He used to be, when he was just dating my sister, he was on my account, but now that he's actually my brother-in-law, I have a different banker. [laughter] But certainly that did help. What Whitney also did, they worked—I think Whitney was, at least in my experience in talking to people, one of the better ones to work with.

[00:16:57]

Justin Nystrom: Really?

[00:16:58]

Kevin Pedeaux: I think they really got a lot of people funded. So I think they were big enough to fund it, but they were still small enough to work with their clients.

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Justin Nystrom: They're a much bigger bank now, more modern, since they merged.

[00:17:11]

Kevin Pedeaux: Since they merged, right. But I think it depends on—you know, with the PPP, I think it has really shown a lot of people, you know, having a relationship with your banker personally, how important that is, because, you know, my brother-in-law, while he didn't do my PPP, he got 100 percent of his customers their PPP. It took a lot of work, you know. He was up for three days. Like, it was a nightmare for him, but I know he did it. Of course, the guy he sent me to, that guy did it. So I think having your banker's cell phone number has been something that is definitely on every businessperson's mind, and that really—I think there are some banks that just didn't want to deal with it. It was a lot of paperwork, you know. I think there were a lot of banks that were skeptical about dealing with it, and so they didn't dive in too heavily or they helped the customers that they were on the hook for first, versus the customers that they were working with, you know.

So I think that that is—so for the PPP, I didn't have any issue applying for and getting it on the first round, you know. And like I said, I joke about my brother-in-law

being at Whitney Bank, but the reality is that I still—and I also have personal relationships with people over at Iberia, too, and they were calling me like, “Hey, Kevin, you need to get your PPP in. We’ll help you.”

I’m like, “I got my brother-in-law. He’s handling it,” you know. So having personal relationships with banks I think was key for me, and I personally had no issue with that, but a lot of my customers did.

[00:18:52]

Justin Nystrom: The period was full of surprises of all kinds, but what would you say were some of the bigger surprises of that early period?

[00:19:02]

Kevin Pedeaux: Hmm. The bigger surprises, I think the biggest surprise for me was how much the local community that lives around Magazine Street came out and truly supported me. Now, here’s the fun part. We were not a community fixture prior to this. We were brand new. We opened right before the holidays. There was a lot of noise with the holidays. Holidays roll into Carnival. There’s a lot of noise with Carnival. We definitely had some local business, but nothing like we have today.

When people were at home, they didn’t have anything to do. Taking a walk to get a latte, you know what I mean, was a way that they could get out and feel safe. Again, I kind of kept all the doors and windows open in this place, because even before the whole mask thing, like people were talking about it being airborne, and then I got hand sanitizer from Seven Three Distilling to kind of keep everything, you know, started selling that. So

people were coming and picking that up, you know, with their coffee. We gave the people that live around here, I would say within walking distance, you know, they're like, "Ah! Saw you're open. Haven't had a chance to come. Now my schedule's clear, I can come check you out."

Then not only that, but how much—so when you say surprise, you know, again, I was new to the neighborhood—how much they really, really supported. And as you know, we got a bunch of merch and stuff, and people were coming in and buying like literally hundreds of dollars' worth of merchandise, just to say, "Let me get you some cash." You know what I mean? And we had a lady who comes every day now, she came in and bought—she's like, "I'm leaving town for my own safety or whatever. I'm trying to do what I can." She bought a \$500 gift card and threw it away and left town. So that really surprised me, how much, you know, the community really, you know, came back and really helped support the coffee shop.

And so now I'm always looking for what do I need to do for the community. So we had a lady who was buying five pounds of coffee and she got—again, we were the nuclear hit of it, so we got hit first. She was buying coffee. She subsequently got laid off, so I've been giving her free coffee while she was laid off, and now she's doing a consulting gig, so she's been paying for her coffee again. But, you know, if there's things that I can do like that, like you've been supporting me by coffee, now you're laid off, it's my responsibility to give you free coffee for a while until you get back, you know. So I am very hyper-conscious of how I can give back to the people that live around the coffee shop.

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Justin Nystrom: Interesting, you used the word “noise,” but what you mean by that is during Christmas and then Mardi Gras, it’s very difficult to do business.

[00:22:07]

Kevin Pedeaux: Yeah. People are running—they’re trying to get gifts, they’re trying to do all the thing—like even if you lived right around the corner from the coffee shop, to get over here, you know what I mean, is not when you leave, “Oh, yeah, I need to go to that new place.” It’s sort of out of your mind. So, yeah, when I say “noise,” when everything ended [laughs], you know, it was like, “Hey, let’s go take a walk and see if that coffee shop’s open.” Or, ‘You know what we need? We need coffee. Maybe we’ll go buy it from—we’re going to the grocery store. Let’s stop there and see if they’ve got a bag of coffee that we could buy from them,’ you know.

So I think that that really—the fact that it cleared everyone’s schedule to come sit at the coffee shop for a minute, you know, especially once we got the outdoor seating, once we were allowed to have the outdoor seating, it really gave people a destination to come, bring the dog, sit down, have a cup. You know, “I want to get out today. Let’s go take a walk.” It’s a destination, you know. It gives you a nice destination.

[00:23:08]

Justin Nystrom: And it is very anchored to the walking-distance community.

[00:23:13]

Kevin Pedeaux: Yeah. Well, you know, there's one thing I didn't notice about this particular location, is that we're at the very bottom of the Crescent, Crescent City, if you will, so when you're standing on our front porch, you can actually see the street curve in each direction, you know. We're right between Louisiana and Napoleon, a little bit closer to Louisiana, and so we definitely—we had people even from as far away as like Audubon Park, you know, that would be like, “All right, there's nothing to do today. I'm furloughed,” or whatever. It wasn't so hot at that time.

[00:23:52]

Justin Nystrom: It was pretty out.

[00:23:53]

Kevin Pedeaux: It was pretty out, and we had a beautiful spring. [laughs] It was gorgeous.

[00:23:58]

Justin Nystrom: It was amazing.

[00:23:58]

Kevin Pedeaux: So a lot of people, you know, walked from both directions, you know, and, again, there was a time when we really were one of the only, if not the only, coffee shop open, so it was definitely—you know, we kind of—I think people—I don't think; I know there's a lot of people today, especially the healthcare workers, if you come sit in

this coffee shop in the morning time, it's mostly healthcare workers that are on their way to work, come to get coffee, because they needed a coffee shop to come to because they were going to work. So the people that come, the ones that are really engrained in their habit of coming, you know, they were going to whatever shop. They work at [unclear] or they were going to whatever shop. Now, like, they had to find a coffee shop, and they've been coming back. So, you know, it's definitely—and they appreciated us being here, you know, for them, and so I think it was a big win-win, like I was saying.

[00:25:02]

Justin Nystrom: So to pivot a little bit, how do you feel about the local, state, federal government response as a business owner?

[00:25:15]

Kevin Pedeaux: Local, state, federal? You know, it astounds me when I go to other—because, again, we supply coffee, so I sell coffee a lot. When I go to other—not in New Orleans, but when I go to other parts of the state, it astounds me how people are angry at [Governor] John Bel Edwards over this, you know, and what Mayor [LaToya] Cantrell has—the hand that she's been dealt, you know, I don't agree with her on everything, but I don't want to make those decisions, for sure, you know. I think, you know, I would have liked to have—I was very angry with Cantrell when she delayed the outdoor seating opening, because I knew what that could do for our business, if we remember that part. The governor opened it up and she shut it down for New Orleans. I also don't think—

and, again, she's—and let me say, if I'm—this is me. I'm in the back of the classroom throwing spitballs. I mean, she's up front trying to get this—trying to teach the class.

So I am not the kind of person, I don't want to be, you know—like, you know, the governor made this decision to put the hospital in the Convention Center. I mean, that, in retrospect, was never really used. That was not a good call. But again, I can't fault the guy for making that call. I'd have made the same call. What if it had went the other way, you know? So, you know, for me, especially like one of the decisions that the mayor has made lately, you know, closing all the bars, well, if the crowds on Bourbon Street [unclear], move the crowds on Bourbon Street along, you know. If that's the problem, then that's what we need to address, not shutting businesses down, you know. I think the city's going to have enough problems with tax revenue and whatnot, you know.

So I guess I'm not—I don't want to be very critical, but, of course, I want to be very critical, but then again, what do you do with the decisions that—how do you—look at these—we're making calls. We don't know what this is—yeah, the whole mask thing went back and forth there for a minute, you know, when they were talking about what to do for—I just think that—now we take it for granted that this is a big help to stop the spread, but it's hard for me to—I think the governor did a great job. I think he did a fantastic job. I think Mayor Cantrell may have been a little bit too heavy-handed. However, we're still—you know, our numbers are better than the rest of the state, so there's some results there. Could that have been done in a different way? Maybe, but we don't know. This is the way they went, so let's move forward from here, you know? So that's kind of my take on that.

[00:28:31]

Justin Nystrom: You tweeted a while back about it got a lot of action when you were talking about managing customers in masks.

[00:28:42]

Kevin Pedeaux: And after I tweeted that, you know, and definitely that has been one of the flashpoints of this whole thing, and, yes, that tweet really did get a lot of play. I just want to stress, before we start going down that road, that I have had two customers that have given trouble about masks—two. We're sitting here doing this interview, people are coming and going. We have so many people through this shop all the time, and we literally have 100 percent mask compliance, and so that doesn't excite people as much as the two people that came in here to cause a fight.

So when I tweeted that, now it looks like that that's the biggest issue, but the reality on the ground is, before we start talking about those two individuals, you know, the reality on the ground is we have 100 percent mask compliance. I've had people that live in the neighborhood that I recognize, they come every morning, that have walked up to the shop and go, "Ah! I forgot my mask," and turn around and walk off, and I'll catch them and be like, "Give me your card," or, "Look, what do you need? I'm going to bring your coffee out to you and you catch me next time," you know what I mean? And they usually give me their card or whatever. Then our online ordering system is great. If you go to like the crcodeenola.com, you can order a drink and we'll have it ready for you, you know. So you come grab it out the back door and there's not a lot of issues. And even people that do that are wearing masks.

So I don't—you know, but, yes, there are—like there was a guy who came in and was like ready to start a—you know, he had silk lacy see-through panties in his pocket. When we asked him to put on a mask, he put the panties on his head and made a big deal about it. And, actually, so the employee that that went down with, you know, he actually went Democrat. So, I mean, it's a big deal.

[00:30:43]

Justin Nystrom: Oh.

[00:30:44]

Kevin Pedeaux: Yeah. I didn't get into the Twitter on it because I didn't want to like, you know, re-spur it, but, you know, because the way I handled the situation, because I didn't really know what was going on at first when this guy comes around the corner with panties on his face, yelling at me. I told him, I said, "Step out."

He's like, "Can I get coffee? Can I get coffee?"

I'm like, "Whoa. Yes, you can get coffee, man. Just relax," because this dude was yelling at me. And so I told him, I said, "Give me your credit card and step outside and we'll talk about it," you know.

And he's like, "I just want to know if this is a proper face covering." You know, he was ready to like combat me.

Like, "Look. You want coffee? You're here to get coffee. I appreciate that. Give me your card and I'll make the drink."

So he gave me his card, he walked outside. I made his drink, brought them outside to give it to him, and, of course, he's telling me what the CDC [Centers for Disease Control and Prevention] says, whatever, you know.

But, anyway, my employee was angry that I made him the drink, you know, and I'm like, "Dude, look. For me at this point, I am trying to deescalate the situation. If there is a guy with panties on his face, yelling at me, you know, like I need to—telling him he can't get coffee until he puts on whatever I deem to be a proper mask, which I don't know either, you know what I mean, like I don't want to have this combative situation. He's yelling at me. If he has COVID, he's yelling at me, you know." Give me the card and get out the store, you know. But, yeah, we ended up losing that employee over that whole situation.

[00:32:32]

Justin Nystrom: How has the employee situation been?

[00:32:36]

Kevin Pedeaux: So the employee situation has been—I think everyone that has—we've got a stack of people looking for jobs, a stack of them.

[00:32:52]

Justin Nystrom: I guess especially now with the unemployment.

[00:32:54]

Kevin Pedeaux: So we were getting a stack of them *before* the unemployment. It was not fully, you know, the unemployment ending. We have maintained the same amount of people coming in to look for a job that we had before, you know, I mean within the past month. You know, I would say we get, you know—we might even get—we get maybe eight people a week, and that’s been going on for the past month. So I don’t—I can’t say whether or not, you know, how unemployment has affected that. I don’t—I think a lot of business owners want to immediately say, “Oh, yeah, they just want to—they’re making more money than they can on unemployment.” I don’t think that is truly the whole picture, you know. Is that in some cases? Maybe. I don’t know. But I think most people want to get on with their life in some way, you know, and I think getting a job, whatever that job may be, we’ve got a lot—most college kids that were going to college, that are now not going to college, that are going to be around are certainly applying. You have a lot of that.

So, you know, I think there’s a lot of different dynamics at play that’s not—is unemployment a factor? I’m sure it is, but I don’t know to what degree. It’s not like, oh, it ended on this day and now we’ve got a stack of résumés, or, oh, it ended on this day, now we’re getting twice as many, you know. It’s been a steady flow of people looking for employment, you know, and certainly people that we have employed have been very thankful, and it is a—I think everybody’s on edge, you know, and so, you know, like this guy I’m talking about, you know, just like, you know, you got a guy coming in here just to be combative, you know, for whatever reason, I don’t know what—and I explained to him, like, “Dude, I don’t know what you’re trying—.”

He’s like, “I’m trying to support your business. I’m putting a face covering on.”

I'm like, "I appreciate you supporting my business, and a better way you can do that for me would be to make everybody feel comfortable and put on—." You know. So that jars employees that are already sort of on edge, you know. The employees that we're hiring had jobs elsewhere that they've lost, and what is the—and, of course, you know, baristas work on tips. Our business has been slow. So, you know, in addition to our business being slow, there's not a lot of money in the register and there's not a of tips in the tip jar. So they're worrying about, you know, their livelihood and their safety. Am I safe here? And how do I have to react when there's a guy with panties on their face yelling at me? You know? I keep going—and again, that's why I said early on in this thing, I'm making an example out of one guy. We have hundreds of people come through here, you know, but this is the kind of stuff that the employees are on edge about, you know, and what is the attitude of that next person coming in, you know. So there's an on-edge thing.

So I think, you know, that's what I was saying. I keep telling everyone, "Just dees—do whatever you need to do. You need to throw them out, you need to do this, whatever you need to do to deescalate the situation, you know. You don't want a guy that has COVID yelling at you. You need to get him out, however that may be." You know what I mean?

[00:36:40]

Justin Nystrom: What has been your mechanism for dealing with stress in this time period? Do you have a mechanism?

[00:36:40]

Kevin Pedeaux: So—

[00:36:49]

Justin Nystrom: I mean Kevin personally.

[00:36:50]

Kevin Pedeaux: Me personally. So I gave up alcohol for Lent, so as all this was going on, it was still Lent, and that was really brutal. [laughs]

[00:36:50]

Justin Nystrom: Yeah.

[00:37:01]

Kevin Pedeaux: You know? Because, you know, I don't want to say alcohol's a self-medication, but it certainly helps shut your mind off at the end of the day.

[00:37:07]

Justin Nystrom: It can be.

[00:37:08]

Kevin Pedeaux: And I hadn't—my wife and I, we hadn't been on a vacation in quite some time prior to that, and so, of course, we were working. So if we opened in October,

that means I've been working on this place for a year before that, you know, and when I say working on this place, I mean, you know, I ran the electrical, you know, and had an electrician come in after me. It was me and a seventy-eight-year-old carpenter that did all the carpentry work in this place, and, you know, I painted everything. So I'm saying when I say I built it out, I physically did. I didn't do the plumbing. I'm not a plumber. I can run electricity, you know. I feel like there's two type of people, you know. You can done one or—

[00:37:46]

Justin Nystrom: It is. I do the plumbing.

[00:37:48]

Kevin Pedeaux: You do the plumbing. There you go. See, I'm fine with—see, electricity doesn't leak, you know. Plumbing makes a mess, whereas electricity, you go, "Ah!" Then you can figure you did something wrong. [laughs] But, anyway, you know, I guess I physically did a lot of the work here, and so I was like, "Man, as soon as we get the place open, we're going to be able to go on vacation. After Carnival, we'll be able to get out and go take a nice trip," and we were unable to do that, obviously, and so we ended up—so we did a location in the airport. I don't know if that's in your—

[00:38:23]

Justin Nystrom: Yeah, tell me about—I did know about that.

[00:38:26]

Kevin Pedeaux: We were talking about—so I had been—you know, it’s a license, a name licensing deal, so we sell them the cups, we train their employees, and all that. So I was in the airport for about three weeks every day working with them to get that coffee shop set up, and we have a great relationship with N_____’s Bakery. I worked there when I was fifteen, and we’ve stayed good friends ever since then. They get a big house out in wine country every year, and she was like, “Look, we’re still going to do it. We’re still going to go over. They’ve got an extra bedroom if y’all want to come.”

I’m like, “You know what? I’ve been in the airport for three weeks. Let’s go and do that.” So that was in the middle of July. We went out to wine country. They still have all of the same—like some of these little small wineries, like we were the only people they saw all week, so, I mean, they were pumped to see us. It was a—same situation, sort of, but for us to go—but, you know, and for us, it was, you know, 78 degrees and beautiful, so it was, “Yeah, I’ll sit outside and drink wine. I have no issue.”

[00:39:29]

Justin Nystrom: A little cooler than now.

[00:39:30]

Kevin Pedeaux: Little bit cooler than now. Now, over there, though, you see, they don’t drink wine outside at 78 degrees, because it’s too hot. They don’t know it’s winter for us, you know. [laughs] So it was, for me, it was like several years coming. We ended up making a nice trip in July, and Krista and the employees here really handled everything

fantastically, so for me coming back now, I've been back now for a couple of weeks now, I'm recharged and I'm ready to go. So for me, that was—and let me tell you, I needed it, you know.

[00:40:08]

Justin Nystrom: I'll bet.

[00:40:08]

Kevin Pedeaux: Every day it's a different regulation, it's a different customer base, it's a different—what does the world need? I mean, I know what I need. I need to keep this business going so I can feed my family, you know. What does the neighborhood need so I can give? Because my number one business mantra is I want to give more value to the customer than they give to me in money, you know. So, you know, like something as simple as like having the hand sanitizer, that was a thing. Like, “Great. Oh, I'm here to get my coffee. Hand sanitizer's sold out everywhere. This is a great thing. I can pick it up, I can keep it in the car,” you know. Is it an added value to the business? Without question it was a huge help to have an added item, but I really felt like also this is an item that people need and are looking for right now, and so therefore it's something that I've added value to their lives.

So, you know, for me, that's been a big—you know, trying—the mental gymnastics of what do we need to do to add value to people's lives has been the hardest, most pain-in-the-behind part of the whole project. I mean, you know, the mental. So being able to, you know, unwind for a week and then get back to it has really totally

helped me, and I can drink and I've got nice wine that I went and bought, so I'm good.

[laughter]

[00:41:38]

Justin Nystrom: What aspects of the changing business model do you think are here to stay?

[00:41:47]

Kevin Pedeaux: Prior to COVID, I had the online ordering site, and thankfully I did. It takes a minute to set it up or whatever, but it was ready to roll, but zero people used it, you know. [laughs] Zero. Now we have a good forty people a day that use it religiously, you know. They get up, they—or some people order the night before and put the pick-up time, you know. So I think that kind of stuff is certainly here to stay. I always say, you know, this whole COVID thing has pushed the world five years into the future overnight, so, you know, we start thinking about online sales, you start thinking about Amazon, less offices, more online.

I was certainly seeing that at St. Roch for the longest time, because people—the local business that we had at St. Roch was a lot of people that moved to New Orleans because they wanted to live in New Orleans, they could live anywhere, and they wanted to be a part of New Orleans and they wanted to have the nightlife on the weekends, and so, you know, they work at home and they would walk to the coffee shop and that would be their human interaction outside the house that day, you know. So I think you're going to see a lot more of that.

I think you're going to see—I think the coffee shop is actually going to—I think over time we're going to see more and more people, especially as this hopefully gets resolved in some way, I don't see offices going back in the same way they were, so I see the coffee shop being definitely an extension of the meeting space. I mean, people already use coffee shops for—there's a different dynamic at a coffee shop than a bar. We're here to do business at the coffee shop, you know. We're here to—and so that—I think that—I really believe I'm going to see the coffee shop become much more of a meeting, boardroom kind of experience, more so in the future, but, of course, this is me just spitballing and guessing, you know.

[00:43:50]

Justin Nystrom: I asked you to spitball.

[00:43:52]

Kevin Pedeaux: Because I think people are going to—we're definitely still social creatures, you know, so even like I'm saying, like looking at the people that did that at St. Roch and we had, you know, a lot, you know, this was—their interaction with the barista is their only human interaction that day, you know. So that, I think, is going to be even—I see that being even more pronounced.

[00:44:19]

Justin Nystrom: Yeah, absolutely. That's interesting. I think we probably need to wrap up soon, but is there anything I'm sort of missing that's obvious to you?

[00:44:35]

Kevin Pedeaux: Let me think about that. I don't want to—I don't think so. You know, so I said we sell a lot of coffee to places, you know, we wholesale. I will say that a lot—it's been very interesting watching my wholesale customers on how they've evolved.

[00:45:04]

Justin Nystrom: Tell me about that.

[00:45:04]

Kevin Pedeaux: So certain wholesale customers, say like we had the coffee shop in Basin Street Station, and you may not even know where that is or what that is. It's across from the Municipal Auditorium.

[00:45:15]

Justin Nystrom: Right.

[00:45:16]

Kevin Pedeaux: And it's the main hub of the hop-on, hop-off buses, so we sell coffee to them, to Massina's Catering that operates that coffee shop, and, of course, that's been zero because there's no hop-on, hop-off buses and it had no local traffic.

[00:45:31]

Justin Nystrom: There's no hoppin'.

[00:45:32]

Kevin Pedeaux: [laughs] There's no hoppin'. So like that account has gone to zero, but other accounts, that I have a coffee shop that we sell to in Folsom, they're doing much, much better because they have a drive-through. So anybody with a drive-through is seeing like a 20 percent increase. Any coffee shop that has a good local following is probably holding their own, I will say, but if you have a drive-through, you may be even doing better than you were before. So it is interesting. I mean, I'll say every coffee shop I sell to with a drive-through is doing better than they did before.

[00:45:32]

Justin Nystrom: Every.

[00:46:13]

Kevin Pedeaux: Everyone. You know, I think when you asked me what—that's one of the things that if you say what's something that you're not missing that you don't know to ask, I think that would be it, that people are definitely looking at drive-throughs a whole lot differently. Of course, that's not something I can do here on Magazine, but I wouldn't be surprised to see drive-through everything becoming more and more and more and more predominant, you know.

Let me think of something—what else you got that would be apparent? You know, as soon as we leave here, I'll be like, "Oh!" [laughter]

[00:47:01]

Justin Nystrom: That's every interview.

[00:47:04]

Kevin Pedeaux: "I should have told him about the—," you know. I'll say, too, I really feel like, you know, you said you're—I've said it before, but I'll say it on record, because it's the number one thing I read your thing, when you said you're going to interview me again, I want to listen to that Kevin right now [laughs], because we're looking at reopening our St. Roch Market location on—haven't made any announcements on it yet, so I don't know when this is coming out, but on Labor Day weekend, despite—

[00:47:38]

Justin Nystrom: After that.

[00:47:39]

Kevin Pedeaux: After that. So Labor Day weekend, we're looking to open. I don't want to put it out there until I know it's going to happen, you know, with everything, so we're shooting hard for that date. So certainly lots of coffee shops have shut down in Bywater, you know, maybe permanently, maybe temporary, I don't know, but I know that people are looking for coffee down there these days, so it's—

[00:48:08]

Justin Nystrom: Let me ask you that. So your experience has been that people want a coffee shop, so these other operators have shut down.

[00:48:18]

Kevin Pedeaux: Well, I think that it just depends on—we were lucky that we didn't go in—I didn't go into this business with a lot of debt. Again, if I'd have hired a contractor—

[00:48:33]

Justin Nystrom: It'd have been different.

[00:48:34]

Kevin Pedeaux: It'd have been different. You know what I mean? So I didn't go into this with a lot of debt, and I was able to—I've got a great relationship with my landlord, if it ever came to that.

[00:48:45]

Justin Nystrom: And with your banker.

[00:48:46]

Kevin Pedeaux: And with my banker, obviously, yes. [laughs] And, of course, I did apply for like the EIDL [Economic Injury Disaster Loan] and all that, and, again, it has not come to it to—I mean, I've been paying my rent here. We've been, like I said, turning

over money, so I just don't want to come out of this with a lot of debt, even though, you know, as long as we're not going to make—if we're not making money now, that's fine, but I just don't want to get myself further into debt, but give me the PPP and give me the EIDL and give me as much capital as I can that would maybe get through this. I don't know—I think if you don't—I know for a fact a lot of businesses would have been able to turn over money maybe, but they weren't able to pay their rent. We were, thankfully, able to pay the rent.

So if you don't have a landlord that's willing to work with you—I mean, at St. Roch they're not penalizing me for not being open right now. They want me solvent so we can make money at the end of this, you know what I mean, that we can get it back up. They've been very reasonable, you know. So I think there definitely are some landlords for some businesses, business owners that I'm talking to, that are just flat-out unreasonable. “Pay the full rent or get out.” So I think there's a lot of that happening. So there's a lot of different—there's a bunch of different like moving parts to what your situation is in your business, you know.

Again, and, look, I'm going to say this. I think if I went to my landlord and had been like, “Man, I can't—,” you know what I mean, he's going to have to help me out, you know. [laughs] And I think he would, but, you know, I'm trying not to get to that point, because that back rent's going to be due someday, you know. So I think we're going to see a lot of that, that there might be some demand for that business, but a very diminished demand, and maybe they would get through it if a landlord would help them out, and maybe the landlord doesn't have the ability to, you know. That's another whole possibility, you know, like maybe they don't have that luxury, you know.

So I think there's a lot of different like layers at play, and so, you know, for me, looking at business today, you know, last week we were up 40 percent. This week we're up another 20 percent from last week. So I certainly see business moving in an upward direction quickly, quicker than I've ever seen so far, so I'm looking at St. Roch like, okay, maybe now is the right time to dive into it. So, you know, with them closing in July was terrible, I mean really horrific. I mean, it was probably our worst month throughout this whole thing. I think people kind of got over the "Oh, the businesses need the help," and so we kind of floundered a little bit. But August so far has been strong, so whether people maybe went out of town maybe or, you know, I don't know exactly what the metric was there, but certainly August I see it moving up. School's starting, like we were talking about.

I think, you know, people are getting back to their—people are starting to get—the first time ever, people are starting to at least think about getting back to a more normal routine and what that looks like with masks and social distancing and stuff. And maybe just because I've got my finger on the pulse of what's going on here that I can see what's happening in the past week or two and react, whereas like if you're closed, you don't have your finger on the pulse, you know. So, you know, you're looking at it for maybe like a traditional historical standpoint, where maybe August would not be a very good month to open, maybe we should go to—

[00:52:40]

Justin Nystrom: In New Orleans [unclear].

[00:52:40]

Kevin Pedeaux: In New Orleans. Right. So if you don't have a—if you're not paying attention to what's happening today, I mean, it's a whole new universe out here, you know. So maybe there's some of that going on as well. It's hard for me to say, you know, what other people's motivations or thoughts would be, but, again, if I wasn't open, I would be holding out for October, if I could, to reopen, you know, because that's just traditionally when things happen. But if we don't have tourism coming back in October, October might not be today, you know. So there's a lot of—you know, I'm just trying—again, it's a day-by-day thing, it's a week-by-week—you know, three weeks ago, I wasn't open in St. Roch, you know. Today we're putting plans in place to reopen St. Roch. So, you know, it's, again, the pivot, the thought “What are we going to do?”

Looking at trying to make future guesses is just very difficult, so I would love—I hope future Kevin's interview says, “Man, we hit St. Rock right and people are coming back.” And I hope future Kevin's interview is now, “Man, we opened St. Roch and nobody came.” Because, again, we're going to blow some capital getting that store back open, and if we're going to blow capital getting it back open and it's too early, you know, it could be a major—it could jeopardize the entire business. So it's going to be—this is a very sticky, touchy situation, you know. It's scary. It's scary. But, you know, we've got to do it, you know.

[00:54:17]

Justin Nystrom: So things we'll probably know from future Kevin that may be done grinding on that building.

[00:54:24]

Kevin Pedeaux: Oh, yeah, that'll be life. [laughs]

[00:54:26]

Justin Nystrom: Perhaps we'll have an idea of what [unclear].

[00:54:29]

Kevin Pedeaux: January, they may very well—

[00:54:30]

Justin Nystrom: Maybe by January.

[00:54:32]

Kevin Pedeaux: Yeah.

[00:54:34]

Justin Nystrom: But we'll know what tourism, I guess, is doing, at least in the near term.

[00:54:39]

Kevin Pedeaux: Yeah, yeah.

[00:54:40]

Justin Nystrom: That's a big question.

[00:54:41]

Kevin Pedeaux: When I was building this store out, even during July and August, every single day on Magazine Street we had—I don't care how hot it was, the foot traffic up and down Magazine Street was out of sight. I was surprised.

[00:54:56]

Justin Nystrom: 2019.

[00:54:56]

Kevin Pedeaux: 2019. I was surprised at how much foot traffic, like, "Wow! We might not, like, flounder in the summer," like, "There seems to be a lot of foot traffic around here in the summer." So, you know, today, 5 percent is walking, and that was that. So hopefully, you know, hopefully, you know, travelers return to the city. I mean, you know, and again this goes back to your government question, you know, how has the government, you know, handled it. It's like, you know, we're damned if we do, we're damned if we don't. If we don't invite tourism back, we, businesses, will fail, you know. If you say 50 percent of restaurants are going to be closed, 90 percent in the French Quarter are going to be closed because they don't have [unclear], you know. So, you know, I think we're going to have to invite tourism back in a big way at some point, and hopefully that's sooner rather than later, you know, so that way we don't lose that many more businesses.

[00:56:09]

Justin Nystrom: I was just noticing, I'm hoping I didn't spike this whole recording and find out. [laughter] Well, Kevin, I'm going to stop here. We've actually gone about twice as long as the target length.

[00:56:22]

Kevin Pedeaux: Okay. Well, you brought me in here because I can talk, right?

[00:56:23]

Justin Nystrom: Right, right.

[00:56:25]

Kevin Pedeaux: That's what you said at the beginning of the— [laughter]

[00:56:25]

Justin Nystrom: We delivered on that right?

[00:56:28]

Kevin Pedeaux: Yeah.

[00:56:29]

Justin Nystrom: Excellent. Well, the best of luck—

[00:56:31]

Kevin Pedeaux: Thank you.

[00:56:32]

Justin Nystrom: —and we'll be in touch for future Kevin.

[00:56:37]

Kevin Pedeaux: I hope future Kevin's in a—I'm optimistic right now. I really am. And, you know, if I could talk to future Kevin, I hope future Kevin is as optimistic about Carnival season as I am about the fall right now, you know, and I think that, you know, again, this could all—again, school starting, my wife's a teacher, so like, you know, the next week or two, we could—I just don't—as long as we don't have any backwards, I feel like people are wearing masks, I feel like people are understanding what it's going to take to get the economy back up and running, you know, and these inconveniences of distancing and, again, you know, eating outside maybe, you know, ice coffee in the sun on the patio—

[00:57:28]

Justin Nystrom: Instead of hot coffee in the sun.

[00:57:29]

Kevin Pedeaux: Hot coffee. [laughs] You know, that there's going to be some things that we have to adjust, but I think people are starting to be—all right, we've got to adjust it. We've got to get back to something. I don't want to say back—it ain't never gonna be back like it was, but we've got to move forward in some sort of way. What's the safest way to do it? You know? And I think people are over it, and they're going to do what it takes, you know, and so I think that we're going to continue—hopefully continue to see positive change.

[00:58:01]

Justin Nystrom: Right. Well, thank you.

[00:58:03]

Kevin Pedeaux: You're very welcome.

[End of interview]