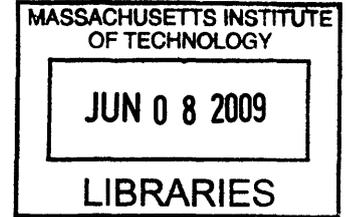


# Public Market Development Strategy: Making the Improbable Possible

by

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Submitted to the Department of Urban Studies and Planning  
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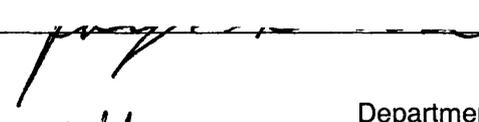
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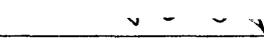
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Submitted to the Department of Urban Studies and Planning  
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## **ABSTRACT**

Public markets were once central components of the urban food system in American cities, but declined in number and importance by the middle of the 20<sup>th</sup> century. Despite a diminished role in feeding the city, public markets have persisted, and interest abounds in both existing markets and the development of new ones. In addition to creating an alternative to the mainstream commercial food system, public markets can generate a range of community benefits including small business opportunities, preservation and promotion of local foods and foodways, and a forum for public interaction. Despite these benefits, developing new, permanent, indoor markets is a unique challenge.

This paper investigates development strategies for organizations seeking to create new public market halls in U.S. cities. Literature specific to public market development is reviewed and contextualized within broader real estate planning frameworks. A detailed case study of the Boston Public Market Association and its efforts to develop a new public market hall in Boston illuminates the difficulties of successfully advancing a public market project. In particular, current opportunities facing that organization illustrate potentially successful strategies to develop a new public market.

While developing a public market is not simply a real estate problem, the real estate world's twin criterion of "most fitting and probable use" suggests an appropriate planning structure for public market proponents. By planning for a market that is "most fitting" in response to a range of local contexts, market advocates can make the improbable possible by adopting an opportunistic real estate strategy and attracting support and resources from both the public and private sectors. Given the long timeline market projects may face, sustained commitment and diligent activity are essential to successful market development.

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# Table of Contents

<b>00: Introduction</b>	<b>5</b>
<b>01: Public Market History</b>	<b>17</b>
Market Origins	17
Markets in the Colonies and Early Republic	17
Rise of the Market House	19
Market Evolution	21
Economic and Technological Challenges to the Public Market	24
City Planning, Urban Reform, and Public Markets	27
Public Markets in the 20 <sup>th</sup> Century	28
Public Markets Today	31
Public Market Advocacy Today	34
Conclusion	37
<b>02: Frameworks for Evaluating Public Market Projects</b>	<b>39</b>
Public Markets at the Intersection of Retail Real Estate and Public Amenity	39
Real Estate Development and Land Use Decision-Making	40
The Real Estate Development Process	41
Retail Real Estate	44
How Public Markets Differ from Conventional Retail	46
PPS/ULI Handbook Public Market Planning Process	48
Project for Public Spaces Market Consultancy Process	60
The Abridged Version: David O'Neil's Ten x Ten Matrix	63
Conclusion	63
<b>03: A New Public Market for Boston</b>	<b>67</b>
Boston Public Market Beginnings & the 1998 Project for Public Spaces Study	68
A Closer Look: Friends of the Boston Public Market and the 2000 Seareach-CMI Study	73
Boston Public Market Association 2001-2004	77
Market Pilot Projects: Northern Avenue Bridge and Dewey Square Markets	79
Slow Going for the Public Market	81
New Momentum for the Boston Public Market: 2008-2009	82
Conclusion	89

<b>04: Evaluating a New Opportunity for a Boston Public Market</b>	<b>92</b>
Site and Facility Analysis of Parcel 7 for Market Use	94
Evaluation of the Proposed Market District Context	102
Market Programming and the Public Mission at Parcel 7	108
Alternative Market Sites	113
Organizational Strategy Beyond Site Selection	120
Conclusion	121
<b>05: Public Market Development: Making the Improbable Possible</b>	<b>126</b>
Understanding Local Contexts: Planning the Most Fitting Public Market	129
Making the Improbable Possible, Pt. 1: Site Selection and Real Estate Strategy	133
Making the Improbable Possible, Pt. 2: Garnering Support and Allies	137
Are We There Yet?: Sustaining the Drive Toward a Public Market	140
The Future of Public Markets: the Story Continues	143
<b>06: Acknowledgements</b>	<b>144</b>
<b>07: Bibliography</b>	<b>145</b>

## List of Figures and Tables

Figure 2-1: Graaskamp's Spiral	44
Figure 2-2: Typical Public Market Floorplan	54
Figure 2-3: David O'Neil's 10 x 10 Public Market Matrix	62
Figure 3-1: Locus Map of Central Artery Parcels 7 & 9	84
Figure 4-1: Parcel 7 Locus Map	95
Figure 4-2: Parcel 7 Site Photographs	97
Figure 4-3: Parcel 7 Ground Floor Plan	98
Figure 4-4: Potential Market Layout Plan	101
Figure 4-5: Parcel 7 and Alternative Market Locations	114
Table 4-1: Advantages and Disadvantages of Alternative Market Sites	116

## 00: Introduction

Where food is concerned, few shopping experiences compare to wandering a well-stocked public market, in either the range of sensory impressions or in the texture of human interaction. From the rainbow colors of neatly marshaled piles of fruits and vegetables to the sparkle and briny smell of fresh fish and seafood on ice, from the aroma of roasting coffee and fresh breads to the carnal appeal of sausages, steaks, and whole carcasses waiting to be butchered: the sights and smells of the foods for sale are completely different from a typical supermarket experience of prepackaged portions wrapped in plastic and foam. Similarly, each item in one's market basket requires a different transaction, a moment of exchange—not just monetary—with a specialized vendor who knows her wares, knows where they come from, and can advise how best to prepare and enjoy them. The market's merchants and foodstuffs may hail from different cultures, providing a window into different food traditions and filling the air with the music of many languages. When the market's products are locally sourced, shopping at the market not only provides a rich and enjoyable experience for city shoppers, but also a channel of connection with the farms, fields, and seas outside the city that provide this bounty of foodstuffs. While obviously idealized, this *mélange* of sights, sounds, smells, and activity describes the appeal of the public market.

Around the world for centuries, the buying and selling of food has been transacted in public marketplaces open to all. In the broadest definition, a public market is any place where buyers and sellers of food meet regularly for trade. From simple gatherings of farmers at country crossroads to 19<sup>th</sup> century cathedrals of glass and iron, markets have existed under all kind of circumstances and in all kinds of facilities. Public markets were once a primary channel of food distribution in cities both in the United States and abroad. The range of public markets in the United States evolved from humble beginnings in colonial thoroughfares, to vast indoor market halls where dozens of different food vendors could ply their trade. As urbanization and industrialization swept through North America in the 19<sup>th</sup> and 20<sup>th</sup> centuries, the business of producing food and distributing it to consumers grew more and more specialized, and food production and trade were conducted on a national scale as larger and larger

businesses used railroads, highways, and refrigeration to broaden their reach. These trends eroded the sales and support of public markets, and by the 1950s, supermarkets had eclipsed the old public markets in both convenience and sales volume and many public markets either closed or fell into disrepair.

Yet public markets never wholly disappeared from North American cities, and it seems that they are making a comeback. Architectural historian Helen Tangires began the research for her 2003 study of public markets in 19<sup>th</sup> century America under the assumption that these markets were “relics of the past.”<sup>1</sup> However, as her research progressed, she changed her mind and concluded “The public market will continue to be vital in sustaining agriculture, biodiversity, and a healthy relationship between urban and rural populations, economies, and production.”<sup>2</sup> Despite the changes in society and in cities that led to the decline of public markets, many cities around North America have maintained historic markets or developed new ones as important public spaces, as incubators of food entrepreneurship, and as showcases for locally grown or produced foods. These markets include historic facilities such as Seattle’s Pike Place, Cleveland’s West Side Market, and Philadelphia’s Reading Market, as well as newly developed market halls in Milwaukee, Little Rock, and Portland, Maine. Efforts are now afoot in New York City, Chicago, and Portland, Oregon to create new public market halls.

At one time, Boston had a stately central market hall surrounded by a busy trade in foodstuffs of all kinds. But today, the city has no such marketplace despite having a strong network of farmer’s markets and distinctive local traditions in agriculture, fishing, and food processing. For many years, Faneuil Hall and Quincy Market provided Boston with a bustling market for foodstuffs and a vibrant location for cultural exchange among the city’s residents and tradespeople. By the middle of the 20<sup>th</sup> century, the market had fallen into deep disrepair, and urban flight and the rise of the supermarket had eroded the market share of the traditional central market in Boston as elsewhere. The 1970’s saw the redevelopment of Quincy Market as the nation’s first “festival marketplace.” The Rouse Company’s redevelopment of Faneuil Hall was a success both

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<sup>1</sup> Tangires, Helen. *Public Markets and Civic Culture in 19<sup>th</sup> Century America*. Baltimore: Johns Hopkins University Press. 2003. p. xv.

<sup>2</sup> *Ibid.*

economically, as a catalyst for downtown regeneration, and as a significant tourist attraction. This redevelopment also restored and preserved an important part of the historic fabric of Boston's built environment. But among the franchised shops and prepared food stalls that now characterize Quincy Market, the original public market uses have faded into memory. Only the Haymarket pushcart vendors and the few meat and seafood shops lining Blackstone Street now carry on the legacy of Boston's central food marketplace.

But for roughly a decade, public market proponents have been trying to establish a new public market in Boston. These local efforts to develop a new Boston Public Market have their roots in the late 1990s with the Massachusetts Department of Agriculture Resources, which commissioned a feasibility study conducted by the Project for Public Spaces with funding from the U.S. Department of Agriculture. Since that time, a non-profit corporation has taken shape, the Boston Public Market Association (BPMA). Originally chartered as the Friends of the Boston Public Market, this organization is dedicated to the realization of a permanent, year-round market building in the City of Boston. Additional studies have been undertaken and seasonal pilot markets were established, originally at the old Northern Avenue Bridge adjacent to the Moakley Federal Courthouse, and later at Dewey Square across Atlantic Avenue from South Station. However, after a decade of effort, BPMA had not yet succeeded in developing a new Boston Public Market.

But 2008 and 2009 have seen new developments that are potentially favorable for the Boston Public Market Association and for their market development efforts. With the Big Dig finally completed, the Massachusetts Turnpike Authority is working to transfer control of several downtown parcels used for the Central Artery project. Where the elevated Central Artery stood, a series of new parks stretching from Chinatown to the North End comprise the Rose Kennedy Greenway, Boston's newest civic showplace. The 2008 Massachusetts Environmental Bond Bill included a \$10 million bond authorization to support the development of a Boston Public Market. However, executive action is needed to make those funds a reality and in 2009, the Commonwealth is undergoing serious fiscal strain during an economic downturn. Additionally, the Boston Redevelopment Authority commissioned a study to examine the

creation of a “market district”, perhaps combining the existing Haymarket with a new public market facility. Taken together, these developments could signal more favorable conditions to carrying the Boston Public Market project forward.

The story of Boston’s efforts to develop a year-round indoor public market was the initial inspiration for this research. This thesis is submitted to partially fulfill the requirements of degrees in both city planning and real estate development. Public markets were an appropriate topic for this project in that they engage a number of timely issues in the fields of both planning and real estate here in Boston, as well as in American life in general. Due to their nature as both a civic institution and a retail real estate use, public markets are a fascinating subject, and should be of significant interest to local and regional planners, public authorities, private real estate interests, and advocates for civic vitality. Because of the retail function at the market’s heart, public markets can be capable of producing revenue in ways that other civic institutions like museums, libraries and performing arts venues cannot. In the case of an indoor market hall, the market can also provide a year-round space for public interaction when parks, plazas, and farmers’ markets are closed for the winter.

At a time when private interests must often take responsibility for the creation of public spaces and civic amenities — either through philanthropy or as a condition of the project approvals process for private commercial development — identifying self-sustaining civic functions to occupy and animate these spaces can be problematic. The relative lack of year round activity on Boston’s Rose Kennedy Greenway is illustrative of this dilemma, and all of the proposed civic institutions to be located on the Greenway have been stalled for lack of funding. In other cases, public facilities are included as components of large private development projects as a community benefit negotiated through the public approvals process. However, programming, leasing, and long-term operations of such facilities can be difficult. Because they can be relatively inexpensive to develop compared to museums or other facilities, and because they have significant revenue creation potential, public markets can address these issues as civic or public uses within larger networks of public space or within privately-sponsored mixed-use developments.

More broadly, scholars and practitioners in the field of urban planning are devoting increasing attention to the urban food system. Kameshwari Pothukuchi and Jerome L. Kaufman define the urban food system as “the chain of activities connecting food production, processing, distribution, consumption, and waste management, as well as all the associated regulatory institutions and activities.”<sup>3</sup> Urban food systems are not a subject that has drawn great attention from contemporary planners until quite recently. In a 2000 article in the *Journal of the American Planning Association*, Pothukuchi and Kaufman argue in favor of planners getting more involved with food issues in their communities. Increased awareness of the connections between the food system and public health, infrastructure planning, energy use, and other dimensions of urban life continues to draw food issues back into the sphere of planners’ concern. However, a focus on food systems is not new to planning, as the relationship between food production and urban life was a key element in the garden city visions of Ebenezer Howard, as well as later regional planning ideas advanced by Clarence Stein and Lewis Mumford.<sup>4</sup> Contemporary scholars such as Pothukuchi and Kaufman are really helping to bring the food system back into the planning discourse.

Outside the planning field, today’s American consumers are paying increased attention to food and food production. Environmental impacts of food production and transportation, food safety, and rising food prices have become issues of grave concern. Organic food, once a niche product, has become an \$11 billion industry.<sup>5</sup> Since its founding in 1978, the natural foods supermarket Whole Foods has grown into a national behemoth with more than 250 stores. Meanwhile, the number of farmers’ markets has risen dramatically both nationwide and in Massachusetts. Concerns about genetically modified crops, industrial food production, sustainability, and health have led to a new level of interest in local, sustainably produced food. Organizations such as Slow Food advocate the maintenance and revitalization of traditional methods of food production and preparation. The popularity of food television, magazines, and other media has been exploding. Chefs can now be polarizing public figures, even

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<sup>3</sup> Pothukuchi, Kameshwari; Jerome L Kaufman. “The food system: A stranger to the planning field.” *Journal of the American Planning Association*. 66; 2; (Spring 2000). Social Science Module. p. 113.

<sup>4</sup> Donofrio, Gregory Alexander. “Feeding the City.” *Gastronomica*. 7; 4; (Fall 2007). p. 37.

<sup>5</sup> Pollan, Michael. *The Omnivore’s Dilemma: a Natural History of Four Meals*. New York: Penguin. 2006. p. 257.

celebrities. Op-ed pieces in major newspapers have begun to challenge the reigning orthodoxy of national farm policy, implicitly contesting the entire industrial food system. Public markets offer a year-round alternative to the agribusiness-supermarket industrial complex. As an alternative distribution system, public markets not only play a civic role as a gathering place, they can also serve as a laboratory for the politics of America's dinner plate.

Public markets can take many forms. Just as shopping centers can be broadly categorized by prototypes (e.g., "community center", "power center", etc.), there are several different types of public market. Markets range in size, complexity, physical plant, capital requirements, and level of risk for market sponsors. Generally speaking, markets that have more developed physical facilities entail more complex project planning processes, higher levels of capital investment, and correspondingly higher levels of risk. Permanent market halls are perhaps the most difficult form of market to develop because of the capital and technical requirements of developing the market building. A market hall provides a permanent location for vendors and their wares, along with access to utilities, climate control, storage, and refrigeration. Examples of market halls include London's fabled Covent Garden market and Cleveland, Ohio's West Side Market. Market halls are perhaps the most interesting type of market facility because they are a constant presence throughout the year, and provide an enduring space for both food sales and public interaction.

The central purpose of this thesis is to identify and discuss key strategic issues in the development of new, year-round public market halls using the current drive to develop a new public market in Boston as a principal case study. A secondary purpose is to chronicle and reflect on the Boston Public Market Association's efforts to develop a new market here, to evaluate the opportunity the group has to develop a market hall as part of a broader Boston Market District, and to offer some insights and recommendations for moving that project and organization forward. There is enormous variety among public markets, and each is different from the other in its history, physical characteristics, merchandise mix, clientele, programmatic offerings, and other dimensions. While all cities and all public markets are unique, the case of BPMA's

efforts to develop a new market in Boston illuminates some of the issues and challenges that would be faced by would-be market developers in any American city.

The history of public markets' evolution and of their changing place in the food system of American cities is important to understanding the position of public markets in the contemporary United States. **Chapter One** of this thesis offers a brief overview of this history, with a particular emphasis on the history of Boston's central marketplace. Also included are short profiles of significant contemporary markets and an account of the benefits that public market advocates claim markets generate for cities and city residents. Public markets were once the central points of food distribution, and were owned and operated by municipal governments as a part of the civic infrastructure. But over time, public markets were eclipsed as suburbanization and the rise of the supermarket dispersed both populations and food purchasing. At the same time, private enterprise combined with increased federal regulation to replace the municipal function of regulating trade.

With their role as centers of both distribution and regulation eroded, public markets today are no longer an essential part of the city's mainstream food system. Contemporary public markets are most often operated by quasi-public non-profit organizations with civic missions that extend beyond merely providing a forum for trade in foodstuffs. While the particular mission may vary from city to city, public markets can be focused on supporting local food production, creating low-barrier-to-entry entrepreneurship opportunities, educating city residents about food production and preparation, and more. The history of public markets demonstrates that these markets are generally no longer economically competitive with other central city land uses, and that public markets are no longer significant mainstream channels in the urban food system. Arguments in favor of both maintaining existing public markets and developing new ones are made on the basis of the economic and civic benefits that markets provide. Planning a new public market is a difficult task because such markets are unusual real estate uses requiring multiple frameworks of evaluation.

**Chapter Two** attempts to position public markets relative to other types of real estate development, including a discussion of the analytical frameworks necessary to planning a new public market project. In general, land use and real estate decisions

can be judged on the basis of “most fitting and probable use.” Like all real estate projects, public markets demand an iterative planning process in which project proponents cycle through a variety of analytic frameworks. In each iteration, the project proposal is refined until the project itself can either go forward or must be abandoned. A new public market is at heart a type of retail real estate. Compared to other real estate types, retail use introduces an additional level of complexity to project planning, demanding a better understanding of local economic conditions and more careful leasing and management.

While the considerations that bear on conventional retail development have a major bearing on public market development, public markets are distinct from other kinds of retail. There is a small, specialized body of literature that addresses the concerns specific to public market development, largely coming from the Project for Public Spaces (PPS), a non-profit organization dedicated to preserving and improving the public realm, and one of the principal advocates for public markets. The handbook jointly published by PPS and the Urban Land Institute is the principal text on public market development, and is reviewed in detail. The handbook includes useful information and guidelines specific to public markets for site and design analysis, economic and market research, and financial feasibility testing. But the PPS-ULI framework also introduces additional analytic dimensions beyond those typical of most real estate projects. The two most significant of these new areas of analysis are a formulation of project goals and the mission that drives the proposed market’s existence, and an assessment of organizational capacity that illuminates a group’s potential development strategy.

Existing frameworks for market development can be applied and examined through the lens of the drive to develop a new public market hall in Boston. These efforts present an opportunity to see how public market development strategies apply in a still-unfolding process. **Chapter Three** discusses the origins and history of public market development efforts in Boston. A dedicated group of public market advocates emerged from the Massachusetts Department of Food and Agriculture in the late 1990s to champion a new, year-round indoor market that would expand on the success of local farmers’ markets by offering a broader range of products without the seasonal

limitations of outdoor markets. This group would evolve into the Boston Public Market Association (BPMA), Boston's principal public market champion. Market advocates commissioned two feasibility studies to examine the potential for market development in Boston: one by the Project for Public Spaces in 1998, and one by Marblehead-based Seareach-CMI in 2000. These studies examined a wide range of sites, investigated local economic conditions, and projected sales at potential public market locations. The conclusions of both studies were positive, and projected sales were deemed adequate by the studies' authors to support a new market of 20,000 to 40,000 square feet.

Both of the studies conducted for the development of a new Boston Public Market recommended a number of "next steps" to carry the project forward, and many of these recommendations were followed. As recommended in the PPS report, BPMA sponsored and participated in a number of special events to raise awareness of the market project and attract supporters. Grant funding from a private foundation enabled BPMA to hire an executive director, and the group also launched seasonal outdoor pilot markets that tried to expand the range of vendors and products typically seen at existing farmers' markets. At the end of 2007, BPMA's funding was not renewed, and the organization was left with limited financial resources, no staff, and still without a site for a permanent market. Nonetheless, the organization retained a diverse and talented board of directors dedicated to the idea of bringing a public market to life in Boston.

Recent events present an improved outlook for the BPMA. Most significantly, the Massachusetts Turnpike Authority is seeking a developer to ground lease the building located on Central Artery Parcel 7, making available 26,000 square feet of cold shell retail space immediately adjacent to the Kennedy Greenway and to the remnant of Boston's historic central food market at Haymarket. The Kennedy Greenway is Boston's most significant new civic space in decades, but as-of-yet features few year-round activities and programs. Parcel 7 also lies within the Boston Market District proposed by the Boston Redevelopment Authority (BRA), an area anchored by the existing Haymarket pushcarts. The proposed Market District would restore some of the spirit of Boston's former food marketing hub and would be home to an expanded range of food-related businesses. The BRA has encouraged public market use of Parcel 7's ground floor through use guidelines built into the public land disposition process that will

ultimately convey Parcel 7 to a private developer. BPMA lacks the financial or management capacity to directly lease the entire property, but could negotiate a lease for the building's retail space with the developer selected by the Turnpike authority. Additionally, through legislation passed in August 2008, state funding to support market development may be available, although it is by no means assured.

Regardless of whether or not the state funding can be realized, the Parcel 7 site presents an important opportunity for the BPMA to move forward with market development without assuming the high costs and risk of constructing a new building. The parcel's location adjacent to the Kennedy Greenway and within the BRA's proposed Boston Market District would position the market within a still-emerging network of civic amenities and in the context of Boston's historic market area. Finally, a site may be available to BPMA that is both affordable and appropriate — a location where a public market could indeed be the “most fitting and probable use.” However, there are drawbacks and limitations to the Parcel 7 site and the Market District, as well as advantages. **Chapter Four** analyzes the suitability of Parcel 7 for use by BPMA as a year-round market hall, including whether or not such a facility would support the group's stated mission. Additionally, the Parcel 7 location is compared with other known alternative sites, and consideration is given to organizational strategy beyond site selection.

The suitability of Parcel 7 cannot be analyzed in isolation due to its location immediately adjacent to Haymarket and its inclusion within the BRA's proposed Market District. Whether the BRA's Market District Plans come to fruition or not, Haymarket will undoubtedly be Parcel 7's neighbor for the foreseeable future; its existence is protected by both state law and city ordinance. Haymarket has a history of political savvy, along with an entrenched culture and image that will require BPMA to aggressively create and protect an identity distinct from its neighbor in order to maintain a complementary -- rather than competitive -- relation to the pushcarts. A Parcel 7 location would require BPMA to pay great attention to positioning its market hall relative to Haymarket, and to forge a cooperative relationship with the Pushcart Vendors Association. Beyond Haymarket, the implementation, organization and programming of the BRA's proposed Boston Market District are all open questions at the present time. As planning

progresses for the market district, BPMA will have to give close scrutiny to the district's governance and funding arrangements in order to ensure that the costs and benefits of participation in the Market District are balanced.

Developing a market as a tenant in the ground floor of Parcel 7 would be a strategic change in direction for the BPMA, which has been primarily focused on independent development of new market building. However, this change in strategy is likely to result in the organization achieving its goal to open a market years before a new building could even break ground. Compared with other alternatives, building out Parcel 7's retail space will require significantly lower capital costs, less construction risk, and likely a shorter timeline to completion. Of course, there is no guarantee that BPMA will be able to secure the Parcel 7 space. The Turnpike Authority's disposition process is still unfolding and it is uncertain whether BPMA will be able to come to terms with the developer selected to ground lease the parcel. But the site, context, public policy support, and potential ownership structure are the best opportunity confronting BPMA since its inception a decade ago, and the best hope for developing a Boston Public Market in the foreseeable future.

Beyond the problem of site selection, 2009 is a time of organizational retrenchment for the BPMA and the group must pursue multiple priorities at the same time. The organization must act quickly to increase both its financial and human resources in order to take advantage of this opportunity. Even if the group is ultimately unable to establish a market at Parcel 7, BPMA should be working toward increasing its organizational capacity in order to be well positioned to take advantage of any other locational opportunities. The experience of the Boston Public Market Association demonstrates the challenge and complexity of developing a permanent public market hall, as well as its enduring appeal. Thanks to organizational persistence, the idea of a Boston Public Market is still very much alive. With supportive public policy in place, and an opportunity to secure a space that is both cost-effective and suitable for market development, BPMA has the opportunity to carry their project forward.

Generalizing public market development strategy is difficult: Markets and market organizations are varied in their size, history, and capacity. The diversity of public markets in terms of local context, sponsorship, scale and mission presents challenges

to the formulation of any universal strategy for market development. Nonetheless, BPMA's experience over the last decade permits the illumination and extension of existing public market development literature in **Chapter Five**. Public market development presents more than a real estate problem. It also involves a business planning exercise, and the establishment a civic institution.

However, the criterion of "most fitting and probable use" from the world of real estate provides a lens through which to view the challenge of developing a public market. Compared with other kinds of development projects, public market halls are improbable uses. The challenge for market proponents is to create a market that is both fitting and probable in its local context. BPMA's experiences illustrate the many contexts that market proponents need to address in order to be "most fitting." It also draws attention to two strategic areas where market proponents can help make their proposal more probable, if not "most probable." Identifying and pursuing an appropriate site and real estate strategy can help the organization reach its goals, despite limited resources. Attracting support from outside stakeholders based on the market's expected benefits can help marshal the resources required to make the market a reality. Beyond "most fitting and probable," BPMA's story also highlights the challenges of sustaining interest in and support for a project that may take years and years to come to fruition.

Despite the challenges of developing public markets, they continue to draw attention, especially at a time when food issues are a prominent popular interest. While public markets are no longer primary cogs in the urban food system, they present a vibrant, local, face-to-face alternative to an increasingly corporatized, individually packaged, and dubiously safe world of mainstream food production and distribution. Public markets may never regain their former prominence in American cities, but the markets that persist are cherished, and markets in other cities may someday soon join their ranks, including Boston. The persistence of BPMA over more than ten years of struggle to realize its vision of a year-round market for fresh local foods demonstrates the lasting appeal of the public market experience — that jumble of sights, sounds and smells that creates an urban food shopping experience like no other.

## 01: Public Market History

### Market Origins

Whenever people fail to produce all the goods they need to live, they try to exchange some of what they have for some of what they don't. Markets are where such people meet. When and where markets first appeared is likely impossible to say. Agricultural economist Benjamin Hibbard notes in his 1921 history of agricultural marketing that "Ultimate sources are usually hard to find, and in the case of an economic institution as old, as fundamental, as primitive as marketing, there can be no hope of tracing the line of development back to the beginning."<sup>6</sup> Hibbard describes a slow shift in agriculture from a self-sufficing farm economy to a modern industrial food system that generates huge food surpluses exchanged through long distance trade. However, between these two paradigms, local and regional networks of trade emerged, often with a key role for political authorities. Geographer Jane Pyle's 1971 essay on American farmers' markets notes that special boards controlled markets in ancient Greece, that the Senate claimed the right to establish markets in ancient Rome, and that kings in the European Middle Ages continued to assert rights over market establishment.<sup>7</sup> An exhaustive history of food marketing is beyond the scope of a discussion of public food markets in the United States, but it is worth pointing out that the marketplace has a long and varied role in human society, often with the central involvement of public authorities.

### Markets in the Colonies and Early Republic

The rise of cities and towns in the early years of the American republic removed many people from sources of food: the farms, forests and fisheries that furnish life's necessary fuel. Settlements that could not produce enough food for their own sustenance had to rely on exchange in order to survive. The following discussion outlines both the changing role that public markets played in the American food system and the ways in which public markets themselves changed over time. In his history of

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<sup>6</sup> Hibbard, Benjamin H. *Marketing Agricultural Products*. New York: D. Appleton and Company. 1921. p.3.

<sup>7</sup> Pyle, Jane. "Farmers' Markets in the United States: Functional Anachronisms." *The Geographical Review*. Vol. LXI, No. 2 (April, 1971). p. 170.

the American grocery store, architectural historian James Mayo asserts that for more than three hundred years, public markets served as a principal food source for the people of American cities.<sup>8</sup> Helen Tangires, a scholar of American public markets, notes that public markets were “widespread in the early republic, as [they] had been since antiquity throughout the Western world.”<sup>9</sup> Tangires’s 2003 book *Public Markets and Civic Culture in 19<sup>th</sup> Century America* focuses on the public market as the center of a “moral economy.” According to Tangires, the prevailing attitude of colonial times held that it was the duty of local government not only to provide facilities for the buying and selling of foodstuffs, but also to regulate equitable and orderly trade, including the regulation of weights and measures.

The earliest American markets were scheduled, open-air events where farmers, fishermen, and other food producers met in exchange with the townsfolk, merchants, and others who needed food. These colonial-era markets were often located in the middle of wide streets or thoroughfares—publicly owned land that required no purchase or seizure of private land to create. Foot, animal, and wagon traffic would simply flow around the market. These open-air street markets were governed by laws and ordinances enacted under colonial (and later state) authority that empowered local government to create and manage markets. In turn, the local authorities could collect “taxes, tools, stall rentals, licenses, and fines” in exchange for the provision of a regulated place of trade.<sup>10</sup>

Only a decade after its settlement, Boston’s need for foodstuffs had outstripped its productive capacity. As a result, the first recorded designation of a formal American marketplace was in Boston, noted in the diary of Governor John Winthrop in 1634.<sup>11</sup> Located on Great Street (now known as State Street) at the end of the Town Dock, this site would become Boston’s central marketplace. After the Town Dock was filled, creating new waterfront land, the area would decades later evolve into the Faneuil Hall/Quincy Market complex that still thrives in Boston, albeit in a changed form.

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<sup>8</sup> Mayo, James M. *The American Grocery Store: the Business Evolution of an Architectural Space*. Westport, Connecticut: Greenwood Press. 1993. p. 1

<sup>9</sup> Tangires, Helen. *Public Markets and Civic Culture in 19<sup>th</sup> Century America*. Baltimore: Johns Hopkins University Press. 2003. p. 3.

<sup>10</sup> *Ibid.* p. 5.

<sup>11</sup> Friedman, Karen J. “Victualling Colonial Boston.” *Agricultural History* 47 (July 1973). p. 200.

Boston's market was at the center of the nascent city, and convenient to the harbor for easy transportation of goods. Transportation has always been a central concern of market location, initially for the movement of goods and later for the movement of customers as transportation technology eventually made shipping a smaller part of the cost of selling food. But despite its early founding, the market was not a ubiquitous part of Boston's colonial life.

Karen Friedman describes Bostonian attitudes toward the public market as ambivalent. According to John Quincy's history of Boston's central market, "Citizens seemed to prefer not only the convenience of country farmers peddling from their wagons but the opportunity to barter or bargain on price without the interference of regulations."<sup>12</sup> Many farmers and vendors preferred to make their way around the city, peddling door to door and avoiding taxes and market fees that eroded their profits.<sup>13</sup> Regulated markets winked in and out of existence in early Boston. In 1734, the town voted to establish three markets around Boston, including the Centre Market at the Town Dock near present-day Haymarket. But just three years later, Centre Market was attacked and demolished by a mob disguised as clergymen, in protest of two local ministers who had spoken out in favor of the public market system.<sup>14</sup> It wasn't until 1740 that Peter Faneuil offered to build the city a permanent market hall. Town meeting voted narrowly to accept his offer (367 in favor vs. 360 against).<sup>15</sup> As a condition of funding the market's construction, Faneuil insisted on masonry construction to prevent destruction by fire, or by renegade mobs.<sup>16</sup>

### **Rise of the Market House**

Prior to the construction of market houses, early open-air markets were subject to the vagaries of weather, which led to demand from both buyers and sellers for sheltered markets that would permit the conduct of business regardless of conditions. Sheltered markets also offered an opportunity for cities and towns to collect revenue through the rental of market facilities. Still most often located in the middle of a wide

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<sup>12</sup> Quincy, John. *Quincy's Market*. Boston: Northeastern University Press. 2003. p. 8.

<sup>13</sup> *Ibid.*

<sup>14</sup> *Ibid.* p. 12.

<sup>15</sup> Friedman. p. 203.

<sup>16</sup> Quincy. p. 14.

street, public markets now typically boasted a shed or other building. Located on public land, these early markets were still publicly owned and controlled by the local municipality. Along with a physical structure and revenue stream from licenses and rents came increased management responsibilities, as well as a greater ability to regulate the conduct of trade and the quality of the merchandise. Meat, in particular, represented a public health issue that was addressed through market ordinances prohibiting the sale of tainted goods.<sup>17</sup>

Local government not only established the public market, but also oversaw its management. Cities would hire or appoint a clerk or market master to enforce market regulations and collect rents, often in concert with a market committee that set rents and adjudicated market disputes. These committees could include both political appointees and elected merchants, and were charged with supervising both operating and capital decisions.<sup>18</sup> At this time, most farmers and merchants who sold foodstuffs at public markets were independent entrepreneurs or small businesses, and lacked either the capital or management capacity to maintain a permanent business. The market house was public infrastructure: just as roads were publicly provided to facilitate transportation, the market house was publicly provided to facilitate the trade in food. Like roads and other infrastructure, the publicly owned market house was essentially a socialized monopoly, but according to architectural historian James Mayo, this monopoly was viewed as generally benevolent.<sup>19</sup> However, the extent to which public markets dominated the local food system is perhaps debatable. In contrast to Mayo's portrait of the public market as monopoly, Pyle states "At no time did the market have a monopoly on food distribution."<sup>20</sup> This was likely especially true in Boston, with its affinity for independent trade and its ambivalence toward regulated markets.

Following the American Revolution, Boston and other cities expanded in size and population, and their public markets also grew in size, complexity, and "architectural articulation."<sup>21</sup> In Boston, the market district around Peter Faneuil's 1742 market house was expanded in 1805, following growth in Boston's population, which tripled between

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<sup>17</sup> Mayo. p. 4.

<sup>18</sup> *Ibid.* p. 21-25.

<sup>19</sup> *Ibid.* p. 4.

<sup>20</sup> Pyle. p. 176.

<sup>21</sup> Mayo. p. 8.

1790 and 1810.<sup>22</sup> Over time, conditions at the marketplace worsened due to poor sanitation and overcrowding. According to Quincy, “Droves of unruly goats, swine, and geese being herded to market created filthy street conditions. Oftentimes unruly boys added to the frenzy by picking up piglets by their tails and tossing the animals at pedestrian shoppers...On the busiest market days the cobblestoned streets around Market Square were jammed with wagons and jostling masses of people.”<sup>23</sup> The crowding and traffic became so snarled that in 1822, an ordinance was passed banning selling by pushcart peddlers, farmers and others on the streets and sidewalks around the market.<sup>24</sup>

Over the course of the 1820s, Boston’s central marketplace was dramatically reshaped as Boston Mayor Josiah Quincy oversaw the filling of the Town Dock and the construction of a new market hall with stately classical architectural features including the now-familiar dome and colonnades of Quincy Market. Planning for the new market hall stretched out over three years, and can be considered an early forerunner of public-private partnership: the City constructed the central Market Hall, while commercial interests erected the flanking North Market and South Market buildings along with nearby warehouses and stores. Quincy Market represented an unprecedented public investment in a market hall for an American city. Mayor Quincy expended \$1 million in public funds and expanded the use of eminent domain, previously limited to takings for roads, to acquire nearby land.<sup>25</sup> As Mayo puts it, “No single public market project in the 19<sup>th</sup> century matched the magnitude and design quality of Boston’s Quincy Market.”<sup>26</sup>

## **Market Evolution**

By the middle of the 19<sup>th</sup> century, the dominant building type for public markets shifted from the linear form of the long market house in the street to a square, block-type facility located on its own parcel of land. This shift was driven in part by customer walking distance among the vendors’ stalls. In the new square markets, more stalls could be located closer to the entrance, and perimeter aisles eased customer

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<sup>22</sup> Quincy. p. 32, 38.

<sup>23</sup> *Ibid.* p. 38-9.

<sup>24</sup> *Ibid.* p. 39.

<sup>25</sup> Tangires. p. 40-41.

<sup>26</sup> Mayo. p. 8.

circulation.<sup>27</sup> Increasing levels of investment and architectural sophistication brought other changes to the public market. As the buildings that housed markets became more complex, so did markets' roles as civic facilities. Market buildings like Faneuil Hall had long served as venues for town meetings and civic events. New mixed-use market buildings often housed police or fire brigade stations; second floor spaces were used to host community meetings.<sup>28</sup> In Charleston, South Carolina, the seat of city government was located on the second floor of the market house.<sup>29</sup>

These physical changes were indicative of increasing sophistication in the conduct of American trade. Drawing a connection between the public market and the body politic, Mayo writes, "The social life of public markets has always been colorful, active, and a political reflection of America's economic life."<sup>30</sup> Just as the physical plant of the public market grew more complex, so did market operations and the mix of market offerings. The food system evolved to include a more complex network of producers, traders and merchants, which induced increasing competition for space within the public market. Space within a market hall was fixed, and more specialized and sophisticated merchants were able to pay higher rents than farmers.<sup>31</sup> Hierarchies of merchants and vendors developed, with poorer vendors left to sell their wares outside the market and more prosperous merchants selling within it.

This hierarchy of vendors could be seen at Boston's Quincy Market, as well. The market thrived after its 1826 opening, and improved conditions allowed the ordinance banning street peddling to be rescinded. By the late 1820s, farmers and pushcart vendors were once again a presence at Quincy market, along with merchants housed in stalls within the market hall. John Quincy notes, "While merchants sold a variety of foodstuffs from the stalls inside the market house, the wagon and pushcart vendors were permitted to stand outside, in the adjacent streets, without any charge."<sup>32</sup> In Boston and elsewhere, farmers and street vendors fared poorly in the competition with urban vendors for selling space. According to Quincy, many of these farmers and

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<sup>27</sup> *Ibid.* p. 14.

<sup>28</sup> *Ibid.* p. 6.

<sup>29</sup> Spitzer, Theodore Morrow, Hilary Baum, et al. *Public Markets and Community Revitalization*. Washington, D.C.: Urban Land Institute and Project for Public Spaces. 1995. p. 10.

<sup>30</sup> Mayo. p. 17.

<sup>31</sup> *Ibid.* p. 18.

<sup>32</sup> Quincy. p. 117.

cartmen simply sold their merchandise in bulk to the merchants, rather than engaging in retail trade themselves throughout the day.

Farmers in particular faced the competing demands of needing to tend to their stock and crops, traveling between the farm and the market, and contending with inclement weather. Thus it was almost impossible for farmers to be in the market every day. Urban merchants had additional advantages over farmers and street vendors. With the security of an established daily presence and a shorter journey to market, city merchants were able to better display their goods for sale, and even to sponsor seasonal decorations for holidays and special occasions. However, according to Mayo, public market customers continued to value the presence of farmers as purveyors of the freshest goods, and market masters and committees were faced with petitions to resolve the problems farmers had securing market space. Nonetheless, urban merchants continued to crowd out farmers and other rural vendors.<sup>33</sup>

As the 19<sup>th</sup> century wound onward changes also transpired in the legal, economic, and financial context in which public markets operated. Private ownership and operation of public markets became more prevalent, although Tangires discusses vigorous opposition to the privatization of markets in both Philadelphia and New York, cities with long public market traditions.<sup>34</sup> Importantly, urban land markets also changed. As cities expanded, economic competition over location became increasingly intense. Downtowns or Central Business Districts were the preferred locations for public market halls, both for transportation advantages, as well as to take advantage of traffic to the new department stores that sprang up in the later part of the century.<sup>35</sup> However, centrally located land was typically in high demand, and such sites were increasingly difficult to secure. In addition, the combination of more expensive land and larger and more advanced buildings demanded higher levels of capital investment. The financing of public markets became more complex, with public market authorities turning to revenue bonds and private owners utilizing mortgages, stock plans, and private bond financing to raise the required capital.<sup>36</sup>

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<sup>33</sup> Mayo. p. 19.

<sup>34</sup> Tangires. *Public Markets and Civic Culture in 19<sup>th</sup> Century America*.

<sup>35</sup> Mayo. p. 32.

<sup>36</sup> *Ibid.* p. 33.

The management of public markets also grew more sophisticated. The design and fixtures of market stalls were frequently standardized to provide the impression of “fair and efficient” shopping as well as to enhance public perceptions of market sanitation “both imagined and real”.<sup>37</sup> Standardized stalls and market-owned scales and equipment also reduced the need for tenant improvements, which made turning over stalls from tenant to tenant faster and less costly. Market management became more active in support of successful vendors: helping merchants to establish buying co-operatives, coordinating advertising, and providing greater capacity for onsite storage of goods.<sup>38</sup> Percentage rent agreements were included in leases, which specified a percentage of vendors’ sales revenue to be paid as additional rent, and helped to align the interests of market management and vendors. Such agreements encouraged landlords to support vendors by giving them an economic stake in vendor success.

### **Economic and Technological Challenges to the Public Market**

Changes in the food system in turn affected the complexion of the public market, eventually leading to its decline. As Pyle notes, “The pattern of declining importance of city produce markets followed, with several notable exceptions, the improvement of transportation, the growth of cities, and the specialization of agriculture.”<sup>39</sup> The 19<sup>th</sup> century saw the rise of the wholesale system and increasing specialization among sellers and producers as well. Farmers, fishermen, and stockmen were no longer the primary vendors at America’s public markets. Technological advances, including the railroads, canning, and refrigeration radically altered the distribution of food. A shift in American attitudes toward private enterprise placed the public market in competition with both private market houses and with butchers, grocers and other private retailers.

Advances in technology and industry revolutionized not only food marketing, but also business in general. The later part of the 19<sup>th</sup> and the beginning of the 20<sup>th</sup> centuries saw huge changes in technology with major impacts on the American food distribution system. Canning emerged in the 1820s, with a canning factory established

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<sup>37</sup> *Ibid.* p. 30, 32.

<sup>38</sup> *Ibid.* p. 34.

<sup>39</sup> Pyle. p. 176.

in Boston by William Underwood in 1822.<sup>40</sup> Canned food would become increasingly popular as the century progressed. The development of refrigeration in the late 19<sup>th</sup> century lengthened supply chains. At first limited to cooling with ice, by the 1890's Boston's Quincy Market had a mechanical cooling system that used brine and ammonia as cooling agents.<sup>41</sup> Refrigeration combined with widespread railroad shipping to give rise to larger and larger food companies, such as Armour and Swift, the mammoth Chicago meatpacking operations. By 1880, New Bedford, Massachusetts was receiving beef shipped from Chicago's stockyards instead of beef from Boston's Brighton yards.<sup>42</sup> In addition to transporting goods, the railroad sometimes took a more active role in the food marketing landscape. For example, the Reading Railroad developed the Reading Terminal Market in Philadelphia in 1892, absorbing the earlier Farmers' Market and Franklin Market.<sup>43</sup>

Prior to the Reading Terminal Market, Philadelphia had already been the location of new, privately owned markets. As the 19<sup>th</sup> century waned, private enterprise had begun to provide more competition to the public market, and government attitudes toward markets as a public service changed. With competition from the private sector, it was more difficult for public markets to remain profitable. The notion that providing markets was a public service in some ways inhibited competition with the private sector. As Mayo states, "If, however, private enterprise could provide a better system for food retailing, business people should not be deterred, because many local officials felt that government should not compete with private enterprise."<sup>44</sup> Additionally, popular conceptions of the businessman changed as well. According to Tangires, "The concept of the market house as a private business venture was new and could not have existed without widespread faith in the hero of the mid-nineteenth century – the 'business man'."<sup>45</sup>

The proliferation of private, independent grocers and butchers eroded public markets' role in feeding the city, and the later development of retail chains accelerated

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<sup>40</sup> Hamilton, Lisa M. "The American Farmers Market." *Gastronomica*. 2; 3; (Summer 2002). p. 74.

<sup>41</sup> Mayo. p. 26.

<sup>42</sup> Pyle. p. 178-179.

<sup>43</sup> Reading Terminal Market Website: <http://www.readingterminalmarket.org/about/indoors> Accessed 10/18/2008.

<sup>44</sup> Mayo. p. 36-7.

<sup>45</sup> Tangires. p. 110

the public market's decline. Grocery stores posed a major challenge to the customer share of public markets, and boasted several significant advantages. Grocery stores could operate out of almost any leased storefront, whereas the centralized public market hall was a specialized facility. This gave grocers greater locational mobility, and the ability to close up shop in unprofitable locations. Most importantly, it allowed grocery stores to follow the population as it moved outward with urban growth and eventually suburban development. Grocers were also free to change their product mix at will, while public market operators were constrained by leases with their multiple vendors.

The rise of a national food distribution system, along with the sorts of unsavory practices described by Upton Sinclair in his 1906 novel *The Jungle*, led to calls for federal regulation of food markets and food safety. In an essay discussing the origins of federal food regulation, Alden Manchester identifies several key constituencies that pushed for federal regulation.<sup>46</sup> Farmers and farm groups advocated regulation of the railroads and large food processors.<sup>47</sup> Concerns about food safety led to calls for regulation from consumers.<sup>48</sup> Finally, the food industry itself, including the large meatpackers, desired regulation in order to create a level playing field among market competitors and consistency in regulation from state to state.<sup>49</sup> The advent of federal food safety and marketing regulations essentially rendered obsolete yet one more function of local public markets - that of regulating fair trade and safe food.

Broader structural changes in the economy and the labor market would also act to reduce the role of the public market in America's food system. Mayo describes these changes as a shift from "local mercantilism" to "national corporatism."<sup>50</sup> In his account, the rise of national corporations, including chain grocery stores, served to undermine the local networks of middlemen and independent businesses that thrived in the public market setting. Similarly, there was a corporatization of labor. Small and local businesses, unable to compete with national chains, shuttered their own businesses

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<sup>46</sup> Manchester, Alden C. "The Coming of Market Regulation." in *Food and Agricultural Markets: the Quiet Revolution*. Schertz, Lyle P. and Lynn M. Daft, eds. Washington, D.C.: National Planning Association. 1994. p. 58.

<sup>47</sup> *Ibid.* p. 59

<sup>48</sup> *Ibid.* p. 62.

<sup>49</sup> *Ibid.* p. 64-65.

<sup>50</sup> Mayo. p. 41.

and went to work for larger firms. The shift to a food system dominated by national and regional corporate enterprise ended the reign of the public market in American food retailing.

### **City Planning, Urban Reform, and Public Markets**

The rise of city planning also contributed to the public market's decline in importance. The City Beautiful movement that emerged following the 1893 World's Fair in Chicago placed a heavy emphasis on aesthetic considerations, cleanliness, and efficiency. City Beautiful planners such as Charles Mulford Robinson viewed urban food markets as "public nuisances best eliminated from city centers and residential districts."<sup>51</sup> In an article chronicling the history of urban planning for food systems, journalist Gregory Alexander Donofrio notes that the downtown location of many markets was also the preferred site for civic centers, the groupings of public buildings at the heart of many City Beautiful plans. In the years around 1910, Mulford Robinson authored several studies for cities including Fort Wayne, Indiana and Binghamton, New York that advised relocating food markets to the industrial periphery of the city.

Following the City Beautiful movement, another school of planning thought arose that rejected the City Beautiful emphasis on aesthetics and championed the kind of rationalist, scientific efficiency typified by the management science of Frederick Taylor. According to Donofrio, this school of planning objected to what it viewed as unnecessary and wasteful complication in the networks of urban food distribution. "The complexity of urban food distribution was often contrasted with the rational efficiency of municipal water, gas, and sewer service."<sup>52</sup> In Donofrio's account, the consensus across the planning field soon recommended the construction of large wholesale "terminal markets" that would centralize food distribution and streamline delivery to retailers.<sup>53</sup> Such markets, typically not open to retail trade, served to further erode the trade base of urban public markets.

In Boston, the shifting of wholesale market activity to terminal markets on the urban fringe began with the relocation of most the City's fish trade to South Boston in

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<sup>51</sup> Donofrio. p. 30

<sup>52</sup> *Ibid.* p. 35.

<sup>53</sup> *Ibid.* p. 35.

1914.<sup>54</sup> By 1937, after railroads had long eclipsed ocean shipping for food transportation, food distribution facilities found better rail access in outlying areas, along with less traffic congestion.<sup>55</sup> As businesses began to leave the Quincy Market area, City income from taxes, stalls and store rentals declined and budgets for maintenance and repair followed suit. After Quincy Market's centennial in 1926, it slipped into a long period of decline. In 1933, the Hammond and Faxon buildings immediately north of the market were demolished to make room for the widening of North Street to improve access for the East Boston Tunnel (subsequently the Sumner Tunnel). This would not be the last time that roadway improvements would eat away at Boston's historic central market, as the Central Artery would be erected just a few decades later, replacing a broad swath of market-oriented urban fabric with shadows and noise from the elevated expressway.

### **Public Markets in the 20<sup>th</sup> Century**

Public retail markets experienced a resurgence in the years around World War One. The United States Department of Agriculture developed an Office of Public Markets in 1913 in order to aid local food distribution. According to Donofrio, "all levels of government" supported public markets at this time.<sup>56</sup> In 1918, the U.S. Census Bureau undertook a study of municipal markets in all cities having a population greater than 30,000 persons. This study found that half of the 240 cities surveyed maintained a public market. According to Pyle, "The distribution [of markets] in 1918 indicates that although the process of decline continued, the market remained as a source of fresh produce and in hard times could be reinstated. No generalizations can be made about the proportion of the total food supply distributed through markets."<sup>57</sup>

The overall decline of public markets continued, and the 1940s and 1950s saw a decisive shift in food sales patterns in the United States. Despite the evolution of the supermarket and a national (and international) system of food distribution, a study by the United States Department of Agriculture in 1946 identified 401 retail and wholesale

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<sup>54</sup> Quincy. p. 134.

<sup>55</sup> Quincy. p. 137.

<sup>56</sup> Donofrio. p. 35.

<sup>57</sup> Pyle. p. 180.

markets remaining in American cities, 291 of which sold directly to consumers.<sup>58</sup> At that time, just as World War Two was concluding, supermarkets were responsible for only 28 percent of national total sales volume. However, just a few years later in 1954, supermarkets' share of total sales was up to 48 percent.<sup>59</sup> The post-World War Two landscape of suburbanization and the creation of the interstate highways only reinforced the ascendancy of the supermarket. Yet according to Mayo, many public markets remained profitable. However in many other cities, including Boston, the public market had essentially failed by the mid-to-late 20<sup>th</sup> century.

In 1950, the U.S. Department of Agriculture evaluated conditions at Quincy Market, and found the market stalls to be “incurably obsolete, inefficient, and unsanitary.”<sup>60</sup> The elevated Central Artery had snaked through central Boston, darkening the market district and cutting it off from the harbor. In the same year, butter and cheese purveyor Hovey and Company, the last original merchant from the market's opening in 1826, left for the suburbs after 120 years at the market. By mid-decade, most of the vendors had left the market and the remaining merchants “failed to provide enough variety of wholesale or retail goods to keep business thriving.”<sup>61</sup> Neglect by both the City and the private owners of the North and South Market buildings led to continued physical deterioration, and Boston's central public market declined into blight.

However, public markets did not disappear from the American food landscape. Preservationists and other advocates supported the maintenance of public markets in some cities, including St. Louis, Cleveland, Philadelphia, and Seattle. When Seattle's Pike Place market was threatened with demolition by the urban renewal movement in the 1960s, a lengthy battle over the market's future ensued. After succeeding in listing the complex on the National Register of Historic Places, Pike Place preservationists were victorious in a 1971 public referendum on the market's future and seven acres of the complex were preserved.<sup>62</sup> A similar struggle played out in Indianapolis, where legal battles over demolition of the City Market reached the U.S Supreme Court in 1968,

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<sup>58</sup> *Ibid.* p. 180.

<sup>59</sup> Mayo. p. 162.

<sup>60</sup> Quincy. p. 141.

<sup>61</sup> *Ibid.* p. 142.

<sup>62</sup> Mayo. p. 211.

and were ultimately decided in favor of market supporters, leading to the market's preservation.<sup>63</sup>

In addition, not so very long after the ascendancy of the supermarket, changes in American perceptions of the corporate food system led to the initial rise of organic agriculture and alternative food systems in the late 1960s and 1970s. These alternatives included consumer co-operatives, health food stores, and renewed interest in public markets.<sup>64</sup> At mid-century and beyond, continued technological advances in food production and processing involved increasing use of pesticides and chemical fertilizers in a more and more concentrated and specialized agricultural system, as well as increasing use of food additives and preservatives in order to enhance shelf life and visual appeal. The publication of Rachel Carson's *Silent Spring* in 1962 brought public attention to the widespread use and adverse side effects of the pesticide DDT. All of these issues led to consumer concern about the impacts of the industrial food system on both consumer health and the environment.

According to Mayo, in addition to quality, safety, and environmental concerns, supermarket pricing became an issue with consumers as well. Supermarkets frequently sought to maximize profits through the use of variable pricing, loss-leader products, and other techniques. In Mayo's words, "The quality and pricing of food goods led consumers and retailers to support retail alternatives other than the dominating supermarket."<sup>65</sup> And a prime alternative was the public market. Mayo again: "As the ecology movement gained momentum in the United States, a few consumers became more concerned about being economic, responsible shoppers as well as recapturing a sense of public life, and many shoppers chose the public market as an alternative."<sup>66</sup> This renewed interest in public markets echoes Tangires's notion of the "moral economy" of public markets that protected product quality, fair exchange, and trust among buyers and sellers.

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<sup>63</sup> *Ibid.* p. 210.

<sup>64</sup> *Ibid.* p. 209.

<sup>65</sup> *Ibid.* p. 209.

<sup>66</sup> *Ibid.* p. 211.

## Public Markets Today

In Boston, the highly successful redevelopment of Quincy Market pioneered the concept of the festival marketplace, a new format for retail development that focused on food and entertainment to create destination shopping. Restoring the derelict market complex was an impressive example of urban redevelopment, but it fundamentally changed the marketplace into a different kind of shopping destination. Although some of the original tenants at the restored marketplace were former market house merchants, Quincy Market was soon dominated by prepared food stands and chain stores catering to the tourist trade.<sup>67</sup> While this leasing program surely provided higher financial returns to the market's redevelopers, it put an end to Quincy Market's role as a food marketing hub.

Today, the only remnants of the fresh food trade in Boston's central market district are the few meat and seafood shops along Blackstone Street and the bustling weekend pushcart market known as Haymarket. The contemporary pushcarts are the successors of the hawkers and peddlers who plied their trade throughout the area going back to the market's earliest years. Haymarket once occupied 24 blocks and operated daily.<sup>68</sup> As noted earlier, the erection of the Central Artery truncated the market, and the expressway's replacement by the Big Dig further impacted the area of market trade. Haymarket's pushcart vendors are legally protected under both City of Boston ordinance and Commonwealth law that provides for their continued operation. Primarily selling overstocked produce from the wholesale markets in Chelsea, Haymarket draws a large and faithful crowd every weekend and provides an important source of inexpensive fresh produce for Boston residents.

Throughout the 1970s, there were some significant efforts to revive the public market tradition elsewhere in the United States. The resulting markets represent a mix of different contexts, sponsorship entities, scales, and histories. Early in the decade, the renovation of Lancaster, Pennsylvania's Central Market was one of the earliest recipients of federal historic preservation funds. In Vancouver, British Columbia, the peninsula known as Granville Island was transformed from a derelict industrial area into

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<sup>67</sup> Quincy. p. 201.

<sup>68</sup> Mayo. p. 210.

thriving mixed-use area anchored by a newly created public market.<sup>69</sup> The Granville Island Public Market opened in 1979 and is one of the most popular destinations in Vancouver for residents and visitors alike. Granville Island is regarded as one of the major successes of new public market development.

After Seattle's Pike Place Market escaped urban renewal and demolition through a public referendum, the City responded to the public mandate for market preservation by creating the Pike Place Market Preservation and Development Authority (PDA), a quasi-public corporation. The PDA oversaw redevelopment of the historic market, and by 1990 all of the market buildings were renovated.<sup>70</sup> Today, Pike Place is likely the best-known public market in the United States. However, heavy tourist visitation has impacted the market, with fewer local residents shopping there and the merchandise mix tipping toward catering to the tourist trade.<sup>71</sup> Pike Place is a full-fledged market district, comprising a variety of indoor and outdoor vending spaces, along with a mix of other uses. The twenty-two acre Pike Place district includes not only food vendors, but also a range of other uses including mixed-income housing and social service providers.<sup>72</sup> At this largest scale, a public market can be more than a forum for exchange, but an entire neighborhood, complete with a variety of activities.

Other attempts to create new markets have not always been as successful. Several efforts to create a new public market hall in San Francisco in the 1980s were commercial failures.<sup>73</sup> However, San Francisco ultimately did develop a public market of sorts with the renovation of the Ferry Building in 2003. San Francisco's historic ferry terminal was once the main point of arrival and departure in the city, predating the Golden Gate and Bay Bridges.<sup>74</sup> Cut off from the heart of the city by the Embarcadero Freeway in the 1950s, the Ferry Building again became a waterfront focal point when the freeway was removed following the Loma Prieta earthquake. The plaza in front of the building has been home to a weekly farmers' market since 1992. The building itself,

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<sup>69</sup> Granville Island Media Guide. p. 2.

<sup>70</sup> Spitzer, et al. p. 20.

<sup>71</sup> Boston Market District Feasibility Study / [prepared by Project for Public Spaces, Inc., New York, NY]. Boston, MA: Boston Redevelopment Authority, 2009. p. 65.

<sup>72</sup> Spitzer, et al., p. 19.

<sup>73</sup> *Ibid.* p. 11-12.

<sup>74</sup> Rosenbaum, Alisa. "ULI Development Case Studies: The Ferry Building." Washington, D.C.: Urban Land Institute. 2003.

owned by the Port of San Francisco, was redeveloped under a ground lease in 2003 by a partnership between national developer Equity Office and a local development company. The building houses 175,000 square feet of Class A office space along with 65,000 square feet of retail focused on locally produced foods and local restaurants. The upscale shops and eateries in the Ferry Building complement the twice-weekly farmers' market, allowing the two venues combined to appeal to a broad range of customers. The farmers' market is operated independently by the non-profit Center for Urban Education about Sustainable Agriculture (CUESA).<sup>75</sup> The Ferry Building is an interesting case because of the involvement of a private, for-profit developer.

Closer to Boston, Portland, Maine constructed a year-round market hall that opened in 1998. Generous support from philanthropist Elizabeth Noyce's Libra Foundation funded the market's construction as a catalyst for revitalization in downtown Portland, with public market expert Ted Spitzer serving as market manager from the design through the operational stages. The 37,000 square foot market featured soaring ceilings with timber-framed trusses, and was home to a mix of more than 20 permanent vendors along with day stalls. The Portland Public Market was awarded a silver medal from the Rudy Bruner Award for Urban Excellence in 1999 on the basis of its "financial competence, its social values, its attractiveness as a shopping destination, and its contribution to downtown revitalization."<sup>76</sup> However, vendor rents did not come close to covering the market's operating costs, and the market ran at a loss.<sup>77</sup> In 2006, the Libra Foundation decided to liquidate all its Portland real estate holdings. The market building was sold in August that year, and the award-winning Portland Public Market was closed in January 2007. Several of the vendors from the Portland market regrouped and reopened as The Public Market House in a downtown storefront adjacent to the location of Portland's original public market. The Public Market House, coupled with a seasonal farmers' market, carries on the spirit of the Portland Public Market.

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<sup>75</sup> Ferry Building website: [http://www.ferrybuildingmarketplace.com/farmers\\_market.php](http://www.ferrybuildingmarketplace.com/farmers_market.php). Accessed March 29,2009.

<sup>76</sup> Shibley, Robert, et al. *Commitment to place: Urban Excellence and Community, Rudy Bruner Awards for Urban Excellence 1999*. Cambridge, MA: Bruner Foundation, Inc. 1999. p. 64.

<sup>77</sup> Schneider, Keith. "Tied to a City, a Farmers' Market Proves Hardy." *The New York Times*. April 11, 2007.

## Public Market Advocacy Today

As the recent experiences of Portland and San Francisco illustrate, public market development can be both challenging and rewarding. Despite the difficulties associated with developing and operating public markets, proponents continue to advance a wide range of arguments in favor of maintaining and developing public markets. Concerns over food quality and environmental impact that brought customers back to the public market in the 1960s and 70s are still potent forces, perhaps more so in the wake of recent food safety scares. Another set of arguments in favor of public markets positions them as important institutions in local food systems. As a response to the energy consumption and environmental damage that stem from conventional agriculture and food distribution, many commentators advocate a shift in emphasis to local foods, including chef Alice Waters, journalist Michael Pollen, and environmentalist Bill McKibben.<sup>78,79</sup>

Public markets are important economic channels for local food producers and processors. Cornell University Sociologist Gilbert Gillespie, along with several co-authors, identifies farmers' markets — that is to say public markets featuring direct sales between producer and consumer — as the keystone to rebuilding local food systems.<sup>80</sup> Direct sales do not necessarily have to be between farmer and consumer: bakers, cheese makers, coffee roasters, and other food artisans can also benefit from direct sales. Gillespie and his co-authors identify four ways in which direct sales between producer and consumer serve to strengthen local food systems:

1. By increasing the visibility of local producers;
2. By encouraging diversification in local food production;
3. By incubating and supporting small businesses; and
4. By creating a space for both economic and social transactions.<sup>81</sup>

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<sup>78</sup> Pollan, Michael. "Farmer in Chief." *New York Times Magazine*. October 12, 2008.

<sup>79</sup> McKibben, Bill. "Localize." *Harper's Monthly*. November, 2008. p. 45.

<sup>80</sup> Gillespie, Gilbert, Duncan L. Hilchey, C. Clare Hinrichs, and Gail Feenstra. "Farmers' Markets as keystones in Rebuilding Local and Regional Food Systems." in *Remaking the North American Food System: Strategies for Sustainability*. C. Clare Hinrichs and Thomas A. Lyson, eds. Lincoln: University of Nebraska Press. 2007. p. 65.

<sup>81</sup> *Ibid.* p. 66.

In addition to these economic benefits for merchants and food producers, public markets can serve other purposes outside the realm of food sales.

These other benefits are perhaps best articulated by the Project for Public Spaces (PPS), a non-profit corporation “dedicated to helping people create and sustain public spaces that build stronger communities.”<sup>82</sup> The organization was founded in 1975, and draws heavily on the ideas of William H. Whyte, a scholar of public spaces. Public markets are one of PPS’s main project areas, and the organization serves as market planning and management consultants to a wide range of clients. PPS authored the first study for a new Boston Public Market in 1998, and in the autumn of 2008 prepared a study for the Boston Redevelopment Authority on planning a new market district organized around the existing Haymarket pushcart vendors, with PPS associate David O’Neil taking a major role in both studies. Along with the Urban Land Institute, PPS co-published a handbook for public market development that counted Theodore Spitzer, Hillary Baum, and David O’Neil among its authors. This handbook identifies three sets of benefits generated by public markets: “stimulating economic opportunity”, “creating dynamic places”, and “instilling community spirit and cultural exchange”.<sup>83</sup>

In addition to the benefits of direct sales described by Gillespie et al., PPS identifies economic benefits from public market operations that accrue to market vendors, to market customers, and to the broader public. Vendors benefit from low barriers to entry, particularly the limited need for start-up capital, which is especially important for minority and immigrant entrepreneurs who may lack access to traditional business financing.<sup>84</sup> Spitzer et al. describe public markets as an ideal setting for micro-finance loan programs, through which small amounts can be lent to start-up businesspeople without the underwriting strictures of conventional lending.<sup>85</sup> Compared with conventional retailing, public markets give customers the benefit of internal competition among different vendors selling similar products, leading to greater variety in pricing, selection of goods, and customer service.<sup>86</sup> Customers in areas underserved by conventional food stores may also benefit from food access provided by public

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<sup>82</sup> PPS Website: <http://www.pps.org/info/aboutpps/>. Accessed November 5, 20008.

<sup>83</sup> Spitzer, et al. p. 19.

<sup>84</sup> *Ibid.* p. 27.

<sup>85</sup> *Ibid.* p. 28.

<sup>86</sup> *Ibid.* p. 29.

markets, including low-income neighborhoods, downtown areas, and other urban locations.<sup>87</sup> A recent MIT Master's thesis by Jeffrey Schwartz found that neighborhood public markets helped to provide food access to underserved neighborhoods in New Orleans devastated by Hurricane Katrina, the food needs of which were inadequately met by either mainstream food stores or government programs. Broader economic benefits of public markets include job creation for market vendors, managers, and maintenance workers.<sup>88</sup> Another benefit is the catalytic effect public markets can have on their surrounding areas. People attracted to public markets may also patronize neighboring businesses outside the market, and additional business activity in and around the market can lead to increases in property values and thus higher property tax revenues for local government.<sup>89</sup>

The second group of benefits from public markets described by Spitzer and his PPS colleagues fall under the category of “instilling community spirit and cultural exchange.” Spitzer and his co-authors describe markets as public spaces that encourage people to “gather, make connections, discover their similarities, and appreciate their differences.” These human interactions occur not only among customers, but also in the actual buying and selling itself.<sup>90</sup> Commerce in a multi-vendor public market features a much higher level of interaction between buyer and seller. Compared to a supermarket shopper, a buyer at the public market may have to interact with half a dozen or more vendors in order to make her or his purchases. Other market components, such as street performers and musicians, may add additional layers of interaction to the market environment.<sup>91</sup> However, more recent forms of conventional retail, including both festival marketplaces and lifestyle centers, offer similar entertainment.

Markets may also serve as a venue for social services, whether as a permanent part of the market or as an occasional feature. Public health workers can set up booths for blood pressure or other health screenings on selected market days. In some markets such as Detroit's Eastern Market or Seattle's Pike Place, clinics or other public

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<sup>87</sup> *Ibid.* p. 29-30.

<sup>88</sup> *Ibid.* p. 30.

<sup>89</sup> *Ibid.* p. 30.

<sup>90</sup> *Ibid.* p. 31.

<sup>91</sup> *Ibid.* p. 31.

health facilities are a part of the market's permanent program.<sup>92</sup> Spitzer also discusses the educational opportunities created by public markets. Public market programs can include cooking demonstrations or talks by farmers and nutritionists, which provide direct educational experiences. Informal education also happens as customers interact with vendors and other shoppers to learn more about market products and their origins.<sup>93</sup>

The third category of public market benefits described in Spitzer's PPS handbook deals with the market's virtues as a public space. Both outdoor markets and spillover activity from indoor markets help to activate the streets, sidewalks, and plazas in and around the market neighborhood. Spitzer and his co-authors argue that active public spaces are both safer and more inviting, attracting additional users and discouraging loitering, drug use, and other undesirable activity.<sup>94</sup> The activity generated by a public market can also help to set the stage for future development by introducing activity into formerly desolate areas.

## **Conclusion**

This review of market history illustrates the ways in which public markets have changed over time along with both American cities and the American food system. Public markets evolved from relatively unsophisticated gatherings in colonial America to formal arenas of trade regulated by local governments, and frequently served as the central mechanism of food distribution in the early republic. Public markets served two important roles in centralizing the food business and in regulating fair trade and food safety. Later, markets moved indoors, and became larger and more elaborate, peaking with the grand market halls of the 19<sup>th</sup> century. Boston's Quincy Market was, at the time of its construction, one of the grandest, and for more than 100 years was Boston's bustling central marketplace. The management, financing, and facilities of public markets increased in sophistication alongside the rise of private business. Business practices that emerged in public markets, including rent discrimination among tenants

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<sup>92</sup> *Ibid.* p. 32.

<sup>93</sup> *Ibid.* p. 31-32.

<sup>94</sup> *Ibid.* p. 24.

and the use of percentage rent, became a permanent fixture in commercial real estate practice.

Wholesale and retail markets began to diverge, with terminal markets relocating wholesale trade to the urban periphery where land was inexpensive and connections to both rail and highway were readily available without the traffic and congestion issues of a center city location. In the retail arena, grocery stores increasingly competed with markets. Grocery stores enjoyed greater locational and merchandising flexibility and were better equipped to compete as urban populations began to move away from the central city. Public markets declined in importance in the face of pressure from changes in industry, technology, business, agriculture, and the urban environment. Eventually, municipal government started getting out of the market business as private enterprises began to dominate the food system and federal regulation replaced the municipal role in ensuring fair trade. By the middle of the 20<sup>th</sup> century, Boston's Quincy Market was in terminal decay, with declining revenues and neglected maintenance leading to a cycle of decline.

Although public markets ultimately became uncompetitive with newer forms of food distribution and sales, they nonetheless can be seen persisting and thriving in many cities and many forms throughout the 20<sup>th</sup> century and today. Beginning in the 1960s and 70s, some American consumers became disenchanted with the agribusiness-supermarket-industrial complex, and the public market regained some of its former luster, now as an alternative to the industrial food system. The recent history of public markets, including the failure of some new market projects, highlights both the lasting appeal and the difficulty of developing new markets. However, current interest in local and alternative food systems stemming from environmental, agricultural, public health, and quality of life issues is at a high level. The case for public markets today generally rests on the public benefits of markets and their role as civic amenities. Based on the public benefits to communities, farmers, food producers, and other entrepreneurs, contemporary advocates of public markets offer a wide array of arguments in favor of efforts to both preserve existing markets and to develop new ones.

## **02: Frameworks for Evaluating Public Market Projects**

### **Public Markets at the Intersection of Retail Real Estate and Public Amenity**

In the simplest view, public markets can be considered as a real estate product type, or in other words, a land use. Contemporary public markets are an unusual class of real estate use in that they combine aspects of conventional retail property with characteristics of civic amenities. As public market advocates note, markets generate a slew of public benefits in addition to generating rental income. The history of public markets in the United States in the 20<sup>th</sup> century and beyond suggests that public markets are typically no longer economically competitive with other land uses in a downtown urban context, at least from a purely economic land-bid point of view. However, old markets continue to persist and new markets have been both successfully and unsuccessfully developed, often with public or philanthropic support (or both). This persistence of public markets suggests that some existing markets are — and that some new markets can be — justifiable within some real estate decision-making framework.

The purpose of this chapter is to position public markets relative to other kinds of real estate development undertakings, including a discussion of the analytical frameworks necessary to planning a new public market project and a review of existing market development literature. Following a review of the theoretical basics of land use and real estate development, this chapter discusses project planning and methods of feasibility analysis. Because public markets are retail properties, the distinctions between retail use and other types of real estate are discussed, relying on literature from industry groups such as the Urban Land Institute and the International Council of Shopping Centers. Retail development requires project proponents to take a more careful look at the market economics underlying their tenants' businesses, not only as an assessment of creditworthiness but because retail tenants rely on conducting face-to-face trade from the specific location of the property.

Because they generate public benefits, public markets are distinct from ordinary retail uses, and planning a market project introduces additional areas of analysis. The only notable literature on public market development in the United States comes from

the Project for Public Spaces, a non-profit corporation that advocates for placemaking and the creation, preservation, and improvement of civic space. PPS also serves as a consultant to proponents of public space projects, and public markets are one of their major practice areas.

### **Real Estate Development and Land Use Decision-Making**

All real estate undertakings, public or private, involve decisions about the use of a scarce resource: land. In the development of a real estate project, land and capital are deployed for the purpose of producing some stream of benefits over time. These benefits could be financial such as rental income, revenue from the sale of homes, etc.; they can also be non-financial such as agricultural production for sustenance, shelter for human habitation, or the public benefits generated by a park, a public hospital, or a wastewater treatment plant. In the case of a public market, both forms of benefit may be obtained: rental revenue from merchant tenants or other uses, along with a wide array of public benefits including the creation of small business opportunities, public gathering space, and new channels of sales for local farmers and food producers. But within the context of the contemporary city, how is it determined which projects are developed and where?

The decision of what to build and where involves not only the financial wherewithal of the project proponent, but also public authorities, external funding sources, consumer demand, technical and environmental limitations, and a host of other factors. Land use and development decisions, therefore, involve much more than a simple question of what use enables a project proponent to pay the most for land, and more sensitive criteria are required to support development decision-making. James Graaskamp, widely regarded as the father of modern real estate studies, introduced the term “most fitting and probable use” as a yardstick for land use decision-making.<sup>95</sup> The normative concept “most fitting” reflects the land use or project alternative that best balances consumer demand, production costs, infrastructure requirements, and financial and environmental costs and benefits both for project proponents and parties

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<sup>95</sup> Graaskamp, James A. *Fundamentals of real estate development*. Washington, D.C.: ULI – the Urban Land Institute. 1981. p. 240.

external to the development effort. “Most probable” use introduces a degree of pragmatism, and indicates the development alternative that comes closest to being the “most fitting” yet is still possible under the strictures imposed by legal and political constraints, existing technology, financial capital markets, capacity on the part of the project proponent, and cash-cycle solvency pressures on project proponents, real estate consumers, and public infrastructure.

Graaskamp’s twin criterion of “most fitting and probable” reflects the complex arena in which real estate development decisions are made. As Graaskamp himself notes, “Unlike many mass-production industries, each real estate project is unique and the development process is so much a creature of the political process that society has a new opportunity with each major project to negotiate, debate, and reconsider the basic issues of an enterprise economy, i.e., who pays, who benefits, who risks, and who has standing to participate in the decision process.”<sup>96</sup> Not only does “most fitting and probable” recognize limiting factors both internal and external to the project itself, but it also implicitly acknowledges that multiple parties beyond the project proponent have an interest in the costs and benefits generated by any given development decision. For would-be developers of public markets, the challenge is to make the case that a public market should be the most fitting and probable use at some location.

### **The Real Estate Development Process**

There are essentially three types of real estate problems: a use in search of a site, a site in search of a use, or capital in search of an investment.<sup>97</sup> In the first case, a project proponent desires to create a particular land use or real estate product type, and must identify the most appropriate available site for that project. In the second case, the proponent has already identified a site for development, but must synthesize the appropriate development program. In the third case, the project proponent has capital to invest and must identify both the site and the use that are most suitable. Given the diminished role of public markets in contemporary cities, it seems likely that only the first two these problems are of particular interest to the question of advancing a public

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<sup>96</sup> *Ibid.* p. 228.

<sup>97</sup> *Ibid.* p. 244.

market project. In most cases, proponents of a public market are facing a “use in search of a site” problem, but the unique nature of public markets can make finding a site a difficult proposition.

Any development project entails costs, benefits, and risks. To a large extent, the development decision-making process relies on the initiative of the project proponent as a lead actor. Project proponents utilize their expertise in the real estate business, design, financing, engineering, law, etc. in order to synthesize a feasible development concept or proposal, i.e., a development program, a design, a financial plan, a marketing plan, etc. This proposal also articulates the story of the project: a believable accounting for — and an acceptable allocation of — costs, benefits, and risks among the three groups involved: producers, consumers and public infrastructure. The result is “...a desirable real estate program [that] permits maximum satisfaction of the consumer within an affordable structure, while respecting environmental limits of the natural resources and permitting the public infrastructure and space production groups to achieve cash solvency, termed a cash break-even or default point in financial planning.”<sup>98</sup>

How does the project proponent arrive at the point where they have successfully synthesized a feasible development proposal? Every project starts with one of the three basic problems: a site in search of a use, a use in search of a site, or capital seeking investment. Based on the problem at hand, the proponent must come up with initial ideas or a set of alternatives that address the particular development problem they face. These initial ideas are then subjected to feasibility analysis in order to eliminate unworkable alternatives and improve the project concept to the point where the project can go forward. Graaskamp writes, “Feasibility analysis is a generic term which groups a variety of predevelopment studies by generalists and specialists in a systematic philosophy of inquiry to determine facts that are reliable, assumptions about the future that are consistent with past experience and tactics which will minimize the variance between objectives and realizations.”<sup>99</sup> That is to say, feasibility analysis is the systematic effort to identify and reduce risk in the development process by articulating

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<sup>98</sup> *Ibid.* p. 232.

<sup>99</sup> *Ibid.* p. 243.

and improving the necessary assumptions about the project's development and future operations.

The evolution of a development proposal through feasibility analysis necessitates an iterative process through which concepts and alternatives are tested with increasing scrutiny and assumptions become more detailed and explicit by continual reexamination through the lens of each of the analyses listed above. According to David Geltner's real estate finance textbook, "A given development concept will cycle through analysis from at least four different disciplinary perspectives: urban economics (the real estate space market), architectural/engineering disciplines (physical analysis), legal/political analysis, and financial economics (the capital market and real estate asset market), not necessarily in that order (or indeed in any fixed order). Expertise is needed in all of these disciplines and perspectives (and sometimes others as well), and just as important, entrepreneurial creativity is needed to integrate and pull together the various perspectives, to synthesize analysis from various fields into a feasible project."<sup>100</sup>

Graaskamp represented this iterative process as an inward spiral, as shown in **Figure 2-1**. As project planning proceeds along the path of the spiral, the project concept is continually refined through increasingly rigorous analysis until reaching the spiral's center, where planning reaches the decision point.

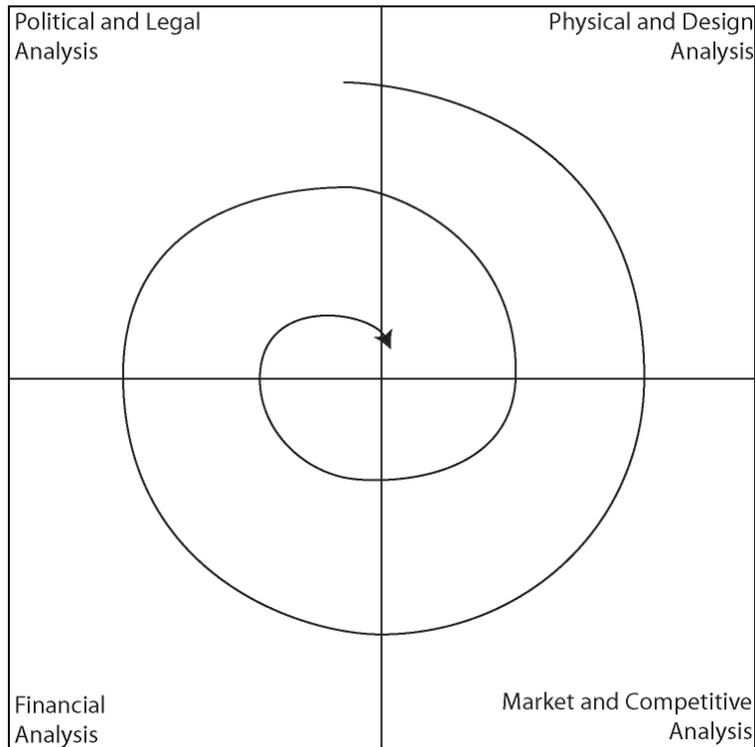
As Geltner and his co-authors put it, "With each iteration, the project design and the decision become more synthesized, more detailed, and closer to fruition. This is indicated in the figure by the arrow spiraling toward the center, the point of synthesis and action."<sup>101</sup> Iterative refinement of the project proposal cycling through all four of these analyses informs the development of all real estate product types: apartments, warehouses, office parks, shopping centers, schools, public libraries, etc. For any of these projects, initial concepts and assumptions are refined and improved until a conclusion can be reached about the project moving forward, about whether a given development proposal represents the "most fitting and most probable" use for the intended site. However, each different real estate type – public or private, for-profit or non-profit – has its own particular concerns stemming from their respective end-user

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<sup>100</sup> Geltner, David M., *et al. Commercial Real Estate Analysis and Investments*, 2<sup>nd</sup> ed. Mason, OH: Thomson. 2007. p. 759.

<sup>101</sup> *Ibid.* p. 759.

**Figure 2-1: Graaskamp's Spiral**



Source: Geltner, David M., *et al. Commercial Real Estate Analysis and Investments, 2<sup>nd</sup> ed.*

markets, funding sources, regulatory regimes, and building technologies. How does one evaluate the feasibility of a public market project? While they may provide other services or amenities, the central principle of all public markets is to rent or sell space to food vendors (or other users), who then conduct their business on the market premises. Whatever the particulars of its sponsoring organization, mission, or product mix, in the most reductive terms, a public market is a multi-tenant retail property. As opposed to stand-alone stores, multi-tenant retail properties are more commonly known as shopping centers.

### **Retail Real Estate**

A detailed discussion of U.S. retailing history is beyond the scope of this research, but it is worth noting that retail businesses (and retail real estate) were affected by the same broad economic and physical changes that led to the decline of

American public markets: urbanization and industrialization in the 19th century, followed by the rise of the automobile, suburbanization, and de-industrialization following World War Two. The retail real estate industry is a well-developed specialty within the development world, and there is an abundant literature discussing project planning and feasibility for retail development, much of it published by industry groups such as the Urban Land Institute (ULI) and the International Council of Shopping Centers (ICSC). Retail real estate presents special challenges in project planning, development, and management for project proponents. As Rebecca Maccardini notes in *White and Gray's Shopping Centers and Retail Properties*: "Shopping centers hold a unique place in the real estate arena that necessitates a broader base of understanding of market conditions and trends and a more intense management system."<sup>102</sup>

One of the critical distinctions between retail real estate and other property types is that the space users or tenants of retail properties are themselves consumer-oriented businesses, dependent on physical trade in goods and services. In retail real estate, the successes of the space users' enterprises and of the property itself are perhaps more closely tied than in any other product type. An understanding of the retail business is therefore critical in retail real estate undertakings, and planning for successful retail businesses is a key element of planning successful retail real estate. This need to integrate tenant business considerations into the development project adds an additional dimension to retail project planning. As Mark London notes in the ICSC guide to shopping center management:

"It has often been said that the dynamics of retail real estate are three-dimensional, while those of most other real estate formats are two-dimensional. The reasoning behind the comparison is that most non-retail real estate – office, apartment, and warehouse formats, for example – are based upon a simple landlord-tenant relationship. Shopping centers and other retail real estate formats are based up on a more complex dynamic which includes the same two parties plus consumers, who must patronize the tenants' store in order for the process to work – thus creating a three-party process. The complexity results from the additional challenges related to finding the appropriate assortment of tenants (or merchants) who can effectively attract enough

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<sup>102</sup> Maccardini, Rebecca. "Foreword." in *Shopping centers and other retail properties: investment, development, financing, and management*. White, John R. and Kevin D. Gray, eds. New York: Wiley. 1996.

consumers to support the business plan, including paying the landlord's rents."<sup>103</sup>

Planning for a successful retail property entails planning for successful retail businesses. But as with any other kind of real estate project, the way forward toward reducing uncertainty and planning a feasible project requires research and feasibility analysis.

Literature on shopping center development and management is largely focused on an array of property prototypes that are distinguished based on size, tenant mix, design features (internal vs. external circulation, etc.), and other factors. Well-known prototypes include the community center (typically an auto-oriented "strip mall" anchored by a supermarket with complementary inline shops), the power center (clustered big box stores), and the familiar regional mall (internal circulation, many tenants, department store "anchors"). Originally, the shopping center was distinct from traditional "main street" retail, but some recent shopping center developments of the "town center" prototype blur the line between a shopping center and traditional main street shops.

Each retail prototype is not only associated with a typical size and tenant mix, but also with a general trade area from which its customers are drawn. None of these prototypes is an especially likely model for a public food market. The "festival marketplace" concept, under which Boston's historic Quincy Market was redeveloped, comes closest. However, while public markets are largely oriented to serving the local community and providing fresh foods, festival marketplaces are typically more focused on entertainment, dining, and attracting tourists. While this limits the specificity with which retail project analysis methods can be applied to a public market proposal, the methods in general may still be quite useful.

### **How Public Markets Differ from Conventional Retail**

Public markets are fundamentally different from ordinary retail uses in that they provide non-financial benefits to the communities and regions where they are located. These distinctions between a public market and an ordinary shopping center provide

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<sup>103</sup> London, Mark. "Introduction." in *Shopping Center Management*. International Council of Shopping Centers. New York: International Council of Shopping Centers. 1999.

challenges for public market proponents, but may also provide opportunities. In a number of publications, including their website, the Project for Public Spaces (PPS) cites three critical distinctions between a public market and conventional retail:

- **Public goals.** For example, these goals may include supporting regional agriculture and food production, promoting minority entrepreneurship, improving food access for low-income families, or other purposes. The essential point is that public markets exist for reasons other than creating revenue.<sup>104</sup>
- **Public space.** What PPS calls a “true” public market creates a public space and a public amenity. This entails creating an “inviting, safe, and lively”<sup>105</sup> space where market visitors of all ages, income, and ethnic groups can mix and feel welcome.
- **Locally owned, independent businesses.** PPS argues that including only locally owned independent businesses (as opposed to chains) is essential to providing public markets with a distinct local flavor.<sup>106</sup> The PPS website notes: “Public markets, unlike ubiquitous retail chains operating in a globalized food economy, cannot be divorced from the place in which they are found. To be successful, they must reflect the bounty of their food region and be an anchor destination in their community.”<sup>107</sup>

All of these distinctions present additional hurdles to developing a public market as opposed to an ordinary retail project. The first of these distinctions means that would-be public market developers must plan their projects even more carefully, not only to produce revenue, but also to deliver on their stated goals for public benefits. The second distinction, public space, requires embracing the widest target market of potential customers, as well as tailoring the market’s physical design to create good public space. The locally owned distinction reduces the pool of potential tenants, precludes taking advantage of the financial strength of national or regional chain tenants, and may require more intensive support of tenant businesses. Combined, these distinctions make project planning more complicated, and may also inhibit the new public market’s ability to generate revenue.

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<sup>104</sup> A public market for Lower Manhattan: preliminary feasibility study / [prepared by Project for Public Spaces, Inc./Public Market Collaborative; with Urban Space Management, New York, NY; Real Estate Planning Group, Chicago, IL]. New York, NY: New York City Council, 2002. p. 11.

<sup>105</sup> Spitzer, et al. p. 2.

<sup>106</sup> A public market for Lower Manhattan. p. 4.

<sup>107</sup> PPS Website: [http://www.pps.org/markets/info/markets\\_services/markets\\_technical\\_assistance/](http://www.pps.org/markets/info/markets_services/markets_technical_assistance/). Accessed February 7, 2009.

Additional difficulties aside, these factors that distinguish public markets from conventional retail may also create opportunities for public market proponents. The public goals of the market may align market proponents with either philanthropic or public policy initiatives, unlocking additional funding and other resources. Both a market's public purposes and its "public space" mission may help in securing a project site that wouldn't be available to ordinary commercial development, either through public land disposition processes or through political or legal constraints on private development. A public market's focus on locally owned business may also align the interests of market proponents with local economic and business development agencies.

Both the constraints and benefits of these distinctions make public market development a different process from building an ordinary retail project. PPS Senior Associate David O'Neal, a former manager of Philadelphia's Reading Terminal Market recently engaged by the Boston Redevelopment Authority to conduct a study on establishing a market district in Boston, suggests that it is "key to evaluate markets within a civic framework."<sup>108</sup> The distinctions that make public markets special also require an even more careful effort to establish how a proposed market will fit within a city's economic, political, and institutional networks. Planning a successful public market entails not only planning a successful retail business, but also a successful civic amenity. This entails a planning process that expands on retail development to encompass additional considerations.

### **PPS/ULI Handbook Public Market Planning Process**

Eliot Spitzer and Hilary Baum's 1995 PPS/ULI handbook, *Public Markets and Community Revitalization*, is the most notable published resource on market development. PPS's David O'Neal was also a contributing author of this text. The book outlines a detailed planning process for developing a new public market, along with observations about best practices at successful markets. As Spitzer and Baum themselves note, while this process may be presented in a linear fashion, the activity of project planning itself is much more likely to be an iterative process like that described

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<sup>108</sup> O'Neal, David, Senior Associate, Project for Public Spaces. Personal Interview. December 1, 2008.

by Graaskamp's spiral. The various steps of the planning process may occur in a variety of orders, and decisions may need to be revisited as project assumptions are refined. The length and intensiveness of the planning process is dictated by the proposed market's complexity. "The fewer resources that are at the sponsor's disposal and the more complex the project is, the more time must be spent in planning and convincing others to buy into the project."<sup>109</sup> While the process that Spitzer and Baum lay out includes many of the analytic steps involved in conventional development, their framework doesn't assume the same level of professional expertise on the part of project proponents that most of the conventional retail literature does, and is oriented more toward non-profit or community development actors.

### *Setting Project Goals*

Explicit, well-defined written goals are central to the entire planning process, both for guiding the development process, as well as for evaluating project success and informing the market's future operations.<sup>110</sup> According to Spitzer and Baum, these goals should include both a statement of the market's public purposes and of its economic goals. The summary of potential market benefits discussed in Chapter One illustrates what some of the public purpose goals might be, such as supporting local food production or creating small business opportunities. The project's economic goals are equally important. Whereas revenue sufficiency or surplus is the implicit goal of all commercial retail projects, Spitzer and Baum argue that it is crucial for public market planners to explicitly define the market's revenue generation goals, its expectations of support from outside funders, and its plan for the use of any surpluses (e.g., supporting other programs, subsidizing start-up vendors, reinvesting in expanded facilities, etc.).<sup>111</sup>

### *Assessing Organizational Capacity & Designing Sponsorship Structure*

In addition to understanding the project to be undertaken, the PPS/ULI handbook authors point out that it is equally important for public market proponents to understand both the internal and external capacity of their own organization. Internal capacity

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<sup>109</sup> Spitzer, et al. p. 42.

<sup>110</sup> *Ibid.* p. 43.

<sup>111</sup> *Ibid.* p. 44.

includes (but is not limited to) the expertise of the organization's staff and board of directors, its existing financial resources, its fundraising ability, its creditworthiness, its tax status (taxable, exempt, 501(c)(3)), and more.<sup>112</sup> External capacity addresses the organization's relationships with outside parties including government agencies, local and national non-profits, charitable foundations, banks or other lenders, etc. A frank and careful analysis of internal and external capacity leads not only to better project planning, but to a responsible assessment of the organization's ability to hold title to land, to accept various legal and fiduciary responsibilities, to generate and receive various kinds of revenue, and to tolerate risk.<sup>113</sup> This is a critical topic that is not explicitly addressed in most conventional retail development literature.

An understanding of organizational capacity also informs the selection of a structure for market ownership and sponsorship. The distinction here is that the "owner" holds title to land or buildings, while the "sponsor" is the organization with legal and fiduciary duty for market operations. The sponsor and owner may be the same organization, or they may be separate. The ultimate structure of the market's sponsoring entity is a trade-off between full autonomy for the organization along with the limitations of their own capacity, and less autonomy along with the additional capacity or resources to be gained through partnerships, entering into a lease or other contractual relationship with an outside owner, or other alternatives of organizational and ownership structure.<sup>114</sup>

### *Concept Development*

With a realistic assessment of its own capabilities and the external resources likely to be available to it, a market proponent organization is ready to develop its market concept. What Spitzer and Baum refer to as "concept development" entails many of the analyses familiar from other kinds of retail development: "The concept development process has several stages: understanding the economic, social, and political context in which the public market will be situated; determining what types of vendors the market should have and what types of customers it probably will attract;

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<sup>112</sup> *Ibid.* p. 44-5.

<sup>113</sup> *Ibid.* p. 46-7.

<sup>114</sup> *Ibid.* p. 47.

developing a viable operating schedule; and determining the location and physical form of the market.”<sup>115</sup> The phases of the concept development process Spitzer and Baum describe include preliminary assessment, formulation of a concept statement, selection of a merchandise mix, site selection, and design.

The process begins with a preliminary exploration of possible market concepts. Spitzer and Baum suggest that this preliminary assessment include making an inventory of other local markets or related activities, including identifying their sponsors, product mix, and customer bases, as well as obtaining any cost or revenue information available.<sup>116</sup> Of particular interest is the presence of immigrant or cultural groups with strong market traditions, or the potential for cultural themes for the planned market. The handbook authors also suggest examining successful markets in other cities. The preliminary assessment phase should also include some analysis of potential vendor types, but does not extend to the actual recruitment of individual vendors. The authors do suggest reaching out through personal contact and “beating the streets” to connect to formal and informal networks of potential vendors.<sup>117</sup> Another component of this preliminary phase is to identify potential market sites, making careful note of factors such as “visibility, access, size, adjacent uses, ownership, and...physical condition.”<sup>118</sup> Having addressed the local context, markets in other cities, vendor types, and potential sites, Spitzer and Baum suggest that the assessment phase could also include informal outreach to potential funders and relevant public authorities.

The next step toward developing a new market concept is to codify the findings and conclusions drawn from the assessment phase in a concept statement that describes the proposed market as completely as possible.<sup>119</sup> This statement should include an explanation of why a new market should be established, including an explanation of who the project proponent is and what goals they hope to accomplish. An explanation of what the market will be entails a description of the various types of goods to be sold, along with an articulation of any other activities that might occur at the market (e.g., cooking demonstrations, public health screenings, etc.). Market

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<sup>115</sup> *Ibid.* p. 51.

<sup>116</sup> *Ibid.* p. 51.

<sup>117</sup> *Ibid.* p. 52.

<sup>118</sup> *Ibid.* p. 52.

<sup>119</sup> *Ibid.* p. 52-53.

proponents should explain who the anticipated vendors, customers, and market managers would be. The market location (or potential locations) should be identified, along with a description of planned facilities (e.g., market shed, market hall, rough size, etc.). This description of the market should also address transportation and parking issues. Finally, the concept statement should also include a projection of when the market will open, and what its planned days and hours of operation will be. While not explicitly stated by Spitzer and Baum, it seems appropriate to regard this concept statement as a working document that will change and evolve as the market concept continues to develop. The following planning tasks all lead to greater refinement of the market concept, and presumably the concept statement would be updated as the analysis progresses.

One of the critical tasks in developing the market concept is to articulate the merchandise mix, the variety of goods and products to be sold at the market. The PPS handbook identifies three key principles for guiding the merchandising mix at successful public markets: internal competition, owner-operated businesses, and sensory experience. Internal competition entails having multiple vendors offering similar products. Benefits of internal competition include improved vendor performance from specializing in a product “niche,” and improved variety in price and quality for market customers. Insisting on owner-operated businesses expands one of the key distinctions between public markets and other kinds of retail.<sup>120</sup> The authors contend that “Owner/operators offer the customer the most knowledgeable and attentive service, as well as the accountability that only an owner can provide.”<sup>121</sup> The third principle, sensory experience, calls for merchants to present the customer with “a rich composition of sights, sounds, smells, and tastes.”<sup>122</sup> This experience can be achieved through market layout and merchandise display, through on-site food preparation, and by minimizing the sales of pre-packaged goods. At this stage, the merchandising mix is more visionary than definitive. In addition to the types of products being sold, market planners should also consider vendor tenure (e.g., permanent, weekly, day stalls), and

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<sup>120</sup> *Ibid.* p. 55.

<sup>121</sup> *Ibid.* p. 56.

<sup>122</sup> *Ibid.* p. 56.

order of preference for potential tenants (e.g., farmers, fresh food, prepared food).<sup>123</sup> Spitzer and Baum write, “Site limitations and issues of feasibility will modify the merchandise mix as the planning process continues, but at this juncture it is important to conceptualize an idealized mix.”<sup>124</sup>

Site selection and preliminary design comprise the final components of the conceptual development process. Potential sites should have already been identified in the preliminary assessment phase. More careful consideration should be given at this point to concerns over site availability, cost, and accessibility. When interviewed, PPS’s David O’Neal noted the importance of finding an affordable site. O’Neal sees a role for the public sector, especially city government, in helping to provide affordable locations for market development, and notes the uneven playing field between public markets and for-profit commercial real estate interests in competition for sites.<sup>125</sup> Access considerations include both customer and merchant concerns. Pedestrian, mass transit, and auto access all need to be considered, along with parking. The PPS handbook suggests that 5-6 parking spaces per vendor is an appropriate figure for a fully developed indoor market hall. Vendor access concerns include highway connectivity, loading/unloading facilities, and truck parking. Careful attention should also be paid to the surrounding context, including street patterns, and both current and planned neighboring uses. And of course, the site needs to be of adequate size.

Preliminary design work goes hand-in-hand with site selection, and is essential to developing a realistic market concept. Both PPS’s O’Neal and the Spitzer and Baum handbook offer a number of guidelines for market design. Market halls typically arrange stalls in a strict grid pattern. **Figure 2-2**, below, illustrates a typical public market floor plan. The handbook argues that stall size should generally be minimized, counter to conventional leasing practices that seek to rent the largest spaces possible (by the square foot).<sup>126</sup> Smaller stalls allow for a greater number and variety of vendors. Planning for adequate circulation among the desired number of market stalls can help estimate the size of the market facility, and thus the total site area required. PPS’s

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<sup>123</sup> *Ibid.* p. 56-7.

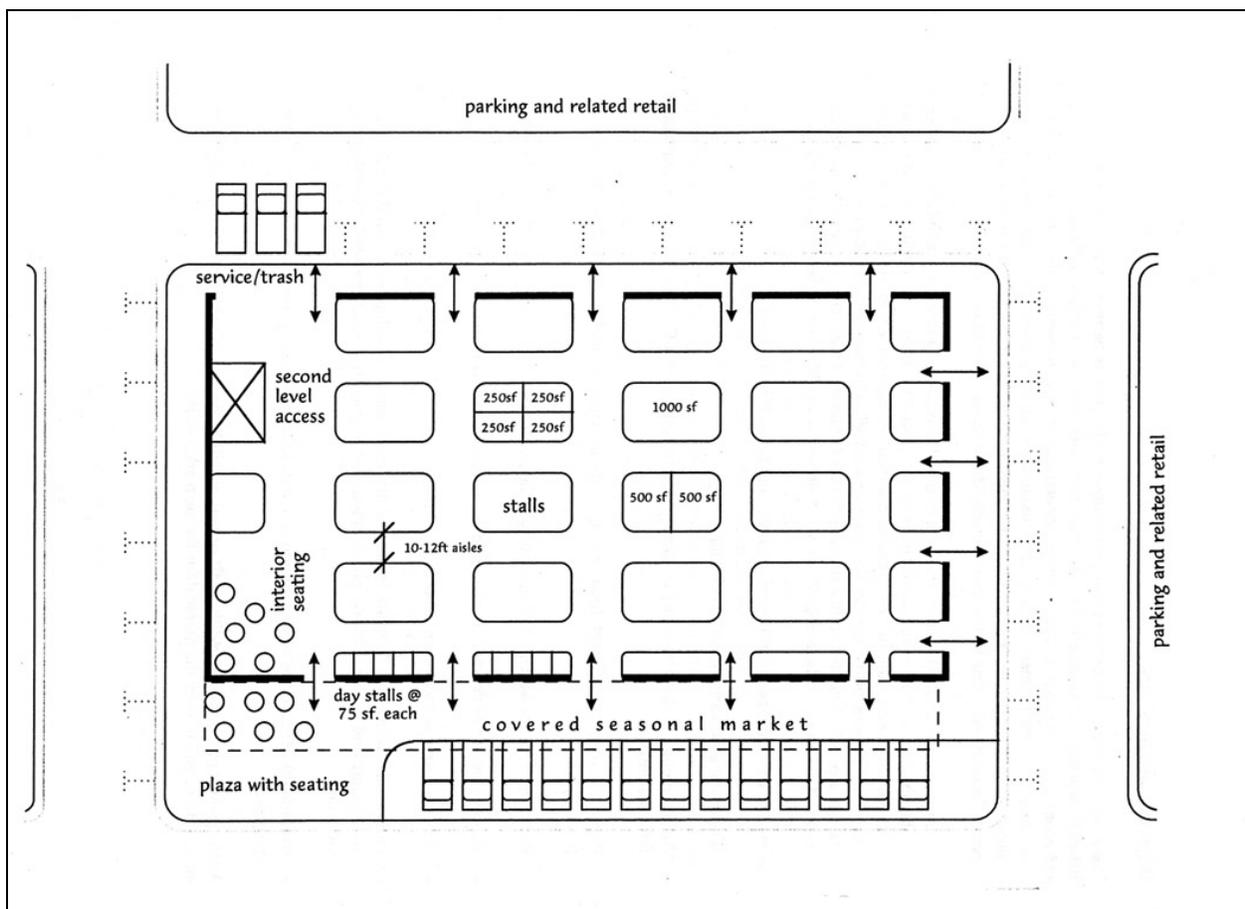
<sup>124</sup> *Ibid.* p. 56.

<sup>125</sup> O’Neal, David, Senior Associate, Project for Public Spaces. Personal Interview. December 1, 2008.

<sup>126</sup> Spitzer, et al. p. 64.

O’Neal suggests that a space efficiency factor of 50% is reasonable for a public market hall.<sup>127</sup> Additional space may need to be allocated for customer amenities, including restrooms, seating areas, and areas for educational programs or cooking demonstrations. Adequate planning for these public spaces allows the market to live up to the burden of being truly “public.” O’Neal suggests that designing the market around its public spaces leads to improved outcomes.

**Figure 2-2: Typical Public Market Hall Floor Plan**



Source: *Boston Public Market: Facility and Business Development Plan*. Conducted by: Project for Public Spaces / Public Market Collaborative. 1998.

In terms of architecture, Spitzer and Baum observe, “Public markets generally are utilitarian structures that place first consideration on the needs of business owners

<sup>127</sup> O’Neal, David, Senior Associate, Project for Public Spaces. Personal Interview. December 1, 2008.

and customers, rather than on architectural 'statements'."<sup>128</sup> As with most retail, ground floor space tends to be the most successful and easiest to lease.<sup>129</sup> In addition to focusing on the utility of the building, another important consideration is the interplay between inside and outside, shown in the plan above by arrows indicating window and door penetrations. The PPS/ULI handbook suggests that windows and doors can be configured to project market activity onto the adjoining outside spaces, as well as providing natural light. On this point, Spitzer and Baum draw a contrast between supermarkets and public markets. Supermarkets typically have only one set of public entrances and exits, while public markets have multiple egresses.<sup>130</sup> An additional design consideration is product display, even in the preliminary stages of design. Building design can help to lay the groundwork for the sensory customer experience the merchandising mix seeks to achieve. The end product of this conceptual phase of the design process can range from simple schematics to detailed architectural plans, but should at least be adequate to communicate market location and layout.<sup>131</sup>

### *Economic Feasibility*

The other main component of planning a new public market is to test the economic feasibility of the market concept. According to Spitzer and Baum, public market feasibility entails two tests: whether the market can attract sufficient customers and vendors to succeed, and whether the market sponsor can support realistic development and operating budgets.<sup>132</sup> These two tests of market feasibility are met through a combination of market research and economic modeling. Throughout this process, the market concept remains a dynamic idea. Again echoing Graaskamp, Spitzer and Baum write, "Feasibility analysis is a continuous, iterative process that can modify the concept and affect all aspects of the project, including its size, cost, design, and layout; the merchandise mix; the leasing strategy; and perhaps the public goals that embody all of these."<sup>133</sup> At the end of this process, the key result for a public market is break-even or better operations for both the market and its vendors. Conventional retail

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<sup>128</sup> Spitzer, et al. p. 61.

<sup>129</sup> *Ibid.* p. 63.

<sup>130</sup> *Ibid.* p. 64.

<sup>131</sup> *Ibid.* p. 66.

<sup>132</sup> *Ibid.* p. 71.

<sup>133</sup> *Ibid.* p. 77.

projects may succeed even with an operating deficit or development cost overrun if the project's capital appreciation is sufficient to offset losses on development or operations. But capital appreciation can actually work to the disadvantage of public markets by leading to higher real estate taxes, or by encouraging redevelopment of the market site to extract higher profits.<sup>134</sup> This leaves only the income return, or operating cash flow, as the relevant financial return metric for public markets.

Market research is essential to applying the first test of feasibility, adequate customers and vendors, and provides the informational base for economic modeling. Market research for a public market is aimed at understanding, and hopefully quantifying, both customer interest in specific market products and vendor interest in selling those products at the market.<sup>135</sup> In general, market research for public markets is highly similar to market research for any retail project. Spitzer and Baum cite three differences in conducting research for public markets, one of which does not seem to be a distinction at all. They claim that public markets must analyze both the supply and the demand for vendors to occupy the market, as well as the supply and demand by consumers for market products. As the foregoing review of retail real estate underwriting indicates, this is a false distinction. All carefully planned retail development is concerned with both tenant and customer supply and demand. The second distinction in market research is the lack of comparables for public markets, with a resulting shortage of reliable information to benchmark a new market's expected performance.<sup>136</sup> The third distinction relates to the public purposes of public markets. Here, market research can also be used to establish baselines to be used later in evaluating the new market's impact. For example, if the market's goal is to increase sales of locally-grown produce, part of the market research would be to estimate the current sales volume of local fruits and vegetables.

In studying potential customers, the key bounding concept is that of the trade area, just as in conventional retail market analysis. Spitzer and Baum define the primary trade area as the region from which the market draws 75% of its customers.<sup>137</sup>

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<sup>134</sup> *Ibid.* p. 71.

<sup>135</sup> *Ibid.* p. 72

<sup>136</sup> *Ibid.* p. 72.

<sup>137</sup> *Ibid.* p. 73.

On the basis of the trade area, the market analyst can then obtain demographic data about the population in the region. This information about age, ethnicity, family size, income, and more is then used to predict customer preferences and shopping behavior. Spitzer and Baum encourage this kind of analysis for each product category offered at the market.<sup>138</sup> They also contribute some interesting generalizations about public market customers. Surveys conducted by the handbook authors at public markets around the United States indicate that “It is not unusual for customers to drive up to 30 minutes to shop at a public market.”<sup>139</sup> This makes the size of a public market’s trade area potentially problematic to estimate. Other survey evidence indicates that customers particularly value public markets for product quality, freshness, taste, variety, and the availability of organic foods. Markets with many tourist visitors tend to have a smaller number of customers from the local trade area. Large volumes of tourist customers can also put pressures on the merchandise mix, repel local shoppers, and erode the market’s sense of authenticity.<sup>140</sup>

Gathering information about potential vendors is the other component of the market analysis, and entails both identifying groups of potential vendors and projecting the sales for each vendor (or product type).<sup>141</sup> Understanding vendors’ potential sales is important both for creating underwriting standards for potential market tenants, and for setting appropriate rent levels. Various rental arrangements, many of which emerged over the history of public markets, should also be explored. Spitzer and Baum advocate for tiered rental rates for different classes of vendor, based on projected vendor profit margins (rent discrimination).<sup>142</sup> While percentage rent, or overage rent based on a percentage of vendor sales, may be useful in aligning market and vendor interests, it may be difficult to implement without a centralized cash register system. Otherwise, tenants would have financial incentives to underreport their sales.<sup>143</sup> Spitzer and Baum observe that most markets simply charge a flat rental rate that varies according to merchant category and expected profit margin (e.g., farm stands, resellers,

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<sup>138</sup> *Ibid.* p. 74.

<sup>139</sup> *Ibid.* p. 73.

<sup>140</sup> *Ibid.* p. 73.

<sup>141</sup> *Ibid.* p. 74.

<sup>142</sup> *Ibid.* p. 75.

<sup>143</sup> *Ibid.* p. 76.

prepared food sellers). Data on expected vendor expenses would also be an important area of research.

The information gathered through market research is used to inform the construction of financial models of the market's revenue and expenses during both the development and operational phases. These models will include multiple operating pro formas, a development pro forma, and a financing plan that illustrates the sources of funds for development. Because of their focus on operational solvency (break-even or cash flow surplus) Spitzer and Baum suggest starting with the operational budget<sup>144</sup>. The first building block of the operating pro forma is a rent roll that lists all of the leasable spaces, their expected tenant type, floor area, and rent. The total of all tenant rents is the largest source operational revenue for the market. For an enclosed market, another source of revenue from tenants is common area maintenance (CAM) charges, which are additional fees assessed to cover cleaning, trash disposal, security and other costs. The total of all rents, CAM charges, and miscellaneous revenues net of expected vacancy yields the market's expected revenue. All projected costs of operating the market are subtracted from the projected revenue, including staff salaries, professional services, insurance and utilities. The result is the market's net income. If the market has sufficient net income, it could support some level of debt service on loans to cover the cost of development. Operating budgets should be prepared at varying levels of detail. Spitzer and Baum suggest that monthly projections are likely sufficient to backstop an overall five-year operating projection.

The development pro forma, or development budget, simply lists all the costs required to bring the market to operation. Spitzer and Baum argue that even simple markets, consisting of nothing more than a few tents in a parking lot, should still have a development budget.<sup>145</sup> Development expenses include not only the direct costs of market shelter, but also vendor recruiting, project management, and any permit or license fees. A fully-developed market hall, on the other hand, is likely to have a complicated budget of several million dollars, as well as a hefty measure of "soft costs" such as professional services, building permits, insurance, and possibly construction

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<sup>144</sup> *Ibid.* p. 78.

<sup>145</sup> *Ibid.* p. 85.

loan interest. Depending on leasing arrangements and the financial capacity of the tenant vendors, the development budget may need to include allowances for tenant improvements such as refrigerated cases or other equipment. If the market is projected to have a slow start-up period with negative net income in the first year or so, then an allowance should be made in the development budget to fund these shortfalls.

The final element of the market's financial model is a financing plan, or statement of sources of funds. This document is simply a list of all of the sources of funding that market proponents will use to cover development and start-up costs. These sources may include organizational equity, public or charitable grants, and loans. As public amenities, public markets may qualify for substantial government and charitable funding, including below-market rate loans, or so-called "soft loans" that are repaid contingent on project income. Again, depending on tenant strength, Spitzer and Baum suggest that market proponents may need to work to establish a start-up loan program for market tenants.<sup>146</sup>

These three models are the analytical tools that market proponents can use to refine and improve the market concept. Through dialectic changes between the market concept and the financial models, the final product of this analysis is a public market plan that is feasible under realistic assumptions backed up by market research. Once the concept can be expressed through financial models that support the costs of development and that project break-even operations or better, the entire market proposal can be compiled into a business plan with which market proponents can pursue funding and support from public authorities, banks, and other funding sources. Design of the market can now progress to the level of detail required to support the market's development and the market proponents can begin to address their pre-opening tasks, including marketing, leasing, codifying market rules and regulations, supervising any construction activity, and obtaining all necessary permits, insurance and inspections.

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<sup>146</sup> *Ibid.* p. 88.

## **Project for Public Spaces Market Consultancy Process**

The Project for Public Spaces is not only the pre-eminent advocate for public markets in the United States, it also maintains a public market consultancy practice that helps organizations and communities develop public markets. In its consulting practice, PPS generally structures the work of market planning three phases: Vision and Feasibility Assessment, Concept Development, and Implementation.<sup>147</sup> Although the individual tasks and steps in this market planning process are more or less the same as those described in the PPS/ULI market handbook, the structure of PPS's consulting arrangements provides a useful way to compartmentalize the lengthy and complex market planning process. As PPS notes, the process outlined is intended to support the development of a complex market with a significant real estate development component, such as a market hall or market district.

The first phase, Vision and Feasibility Assessment, begins with a visit to the proposed host community, visits to potential sites, and a review of existing documents including previous studies, budgets, and surveys.<sup>148</sup> This phase also includes a visioning workshop for market stakeholders, including both the private and public sector. This workshop is intended to educate participants and to establish the groundwork for a locally appropriate market concept. Initial market analysis is undertaken to estimate market demand. Geographic Information Systems (GIS) are used to define a trade area and evaluate demographic and economic characteristics of the trade area. A computerized retail gravity model is used to estimate the proposed market's market share. Merchandising data on customer preferences is collected through telephone surveys, focus groups, and possibly in-person surveys. PPS consultants also assess the level of interest among potential tenants as well as tenants' organizational capacity. The final element of Phase I is an assessment of potential sites based on criteria established in cooperation with the client. Based on these criteria, consultants will recommend a preferred site. Finally, all of this information is compiled into a report.

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<sup>147</sup> PPS Website: [http://www.pps.org/markets/info/markets\\_services/markets\\_technical\\_assistance/](http://www.pps.org/markets/info/markets_services/markets_technical_assistance/). Accessed February 10, 2009.

<sup>148</sup> PPS Website: [http://www.pps.org/markets/info/markets\\_services/markets\\_technical\\_assistance/markets\\_phase1](http://www.pps.org/markets/info/markets_services/markets_technical_assistance/markets_phase1). Accessed February 10, 2009.

Phase II, Concept Development, focuses on refining the project concept and developing an implementation strategy.<sup>149</sup> Components of this phase include a merchandising strategy that seeks to balance fresh food vendors with the trend of increasing demand for prepared foods. The merchandising plan also includes product location in the market floor plan. Schematic design of the market facility is also advanced far enough to address most issues of layout, circulation, access and servicing. The intention is to develop the design enough to obtain construction cost estimates, while leaving detailed design development work for a future phase. Development and operating pro formas are developed, along with prototypical vendor pro formas and financing/funding strategy. Recommendations are also made for organizational structure of sponsorship and management, reflecting the consultants' understanding of local resources and capabilities. A leasing strategy is developed, focusing on both attracting experienced anchor tenants and incubating new food-oriented business. Again, the phase is concluded with a report collecting all of the information and recommendations generated in "an attractive, comprehensive and cohesive development plan."<sup>150</sup> The conclusion of this phase is analogous to completing the business plan at the end of the planning framework presented in the PPS/ULI handbook.

The Implementation phase of PPS's consulting service for public markets bridges the final phases of project planning with operational start-up. Consultants work through the design development phase of building design, along with market proponents and the project architect. PPS will also assist with the hiring and training of market management staff at this time. Vendor training and coordination are also part of this scope of work, including product display and stall management. PPS's consultants will help coordinate and launch a two-pronged marketing strategy of in-house promotions and events along with standard advertising. Finally, PPS helps to troubleshoot ongoing

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<sup>149</sup> PPS Website:

[http://www.pps.org/markets/info/markets\\_services/markets\\_technical\\_assistance/markets\\_phase2](http://www.pps.org/markets/info/markets_services/markets_technical_assistance/markets_phase2).

Accessed February 10, 2009.

<sup>150</sup> PPS Website:

[http://www.pps.org/markets/info/markets\\_services/markets\\_technical\\_assistance/markets\\_phase2](http://www.pps.org/markets/info/markets_services/markets_technical_assistance/markets_phase2).

Accessed February 10, 2009.

**Figure 2-3: David O'Neil's 10 X 10 Public Market Matrix**

<p><b>1. Right Vendor</b></p> <ol style="list-style-type: none"> <li>1) <b>Quality:</b> After experience, most popular reason why people like markets.</li> <li>2) <b>Appearance:</b> Easy to approach.</li> <li>3) <b>Cleanliness:</b></li> <li>4) <b>Merchandising:</b> Informative and distinctive product presentation.</li> <li>5) <b>Innovation:</b> Keeps customers returning.</li> <li>6) <b>Competitive:</b> Continually with customers by competing on product choice.</li> <li>7) <b>Local:</b> Customers feel connected when they see "their own".</li> <li>8) <b>3 Second Rule:</b> Only 3 seconds to hook a new customer.</li> <li>9) <b>Attractiveness:</b> Simple, abundant, artistic displays.</li> <li>10) <b>Service:</b> Good service keeps people happy.</li> </ol>	<p><b>2. Right Location</b></p> <ol style="list-style-type: none"> <li>1) <b>Visible:</b></li> <li>2) <b>Accessible:</b></li> <li>3) <b>Memorable:</b></li> <li>4) <b>Flow:</b> Easy to navigate and orient yourself.</li> <li>5) <b>Parking:</b> Managed to ensure regular turnover.</li> <li>6) <b>Adjacencies:</b> Restaurants, retail, housing, transit, office uses in the neighborhood.</li> <li>7) <b>Confluence:</b> Places where people naturally come together.</li> <li>8) <b>Neutral:</b> Market should welcome everyone, and not be anyone's "turf".</li> <li>9) <b>Scale:</b> "Right" size, appropriate to the context.</li> <li>10) <b>Spin Off Opportunities:</b> Market creates activity and customers for neighboring businesses.</li> </ol>	<p><b>3. Right Mix</b></p> <ol style="list-style-type: none"> <li>1) <b>Internal Competition:</b> Builds quality, variety, and keeps prices reasonable.</li> <li>2) <b>Owner Operated:</b> Customers like dealing with the boss.</li> <li>3) <b>Choice:</b> People love to comparison shop.</li> <li>4) <b>Variation in Price and Quality:</b> Serves multiple tastes and income levels.</li> <li>5) <b>Right Vendors:</b> Sellers who love being at the market.</li> <li>6) <b>Innovate:</b> Keep customers engaged.</li> <li>7) <b>Local:</b> Demand is booming for local foods.</li> <li>8) <b>Balance:</b> Classic merchandise and new products.</li> <li>9) <b>Clarity:</b> Stall-by-stall specialization.</li> <li>10) <b>Turnover:</b> Eliminate things that don't work.</li> </ol>	<p><b>4. Right Mission</b></p> <ol style="list-style-type: none"> <li>1) <b>Intent:</b> Set Clear Goals.</li> <li>2) <b>Create New Opportunities:</b> Low-cost entry for entrepreneurs.</li> <li>3) <b>Self Sustaining:</b> Operations support the market.</li> <li>4) <b>Nurturing Vendors:</b> Support for farmers, immigrants, and new businesses.</li> <li>5) <b>Socialization:</b></li> <li>6) <b>Community Health:</b> Healthy food at low prices.</li> <li>7) <b>Local Culture:</b> Create a "town square" for the community.</li> <li>8) <b>New Economic Paradigm:</b> Self-determination for local economies.</li> <li>9) <b>Make People Happy</b></li> </ol>	<p><b>5. Right Public Spaces</b></p> <ol style="list-style-type: none"> <li>1) <b>Sense of Entry:</b> Market as oasis.</li> <li>2) <b>Seating:</b> For rest, conversation, snacking.</li> <li>3) <b>Maintenance:</b> Key to ongoing employment.</li> <li>4) <b>Shade:</b> Provide comfort in all seasons.</li> <li>5) <b>Things to Look At:</b> People, products, activity.</li> <li>6) <b>Art:</b> Aesthetic connections to place.</li> <li>7) <b>Formal and Informal Qualities:</b> Don't overprogram or overdesign.</li> <li>8) <b>Welcoming:</b> Ensure everyone feels at ease.</li> <li>9) <b>Flexibility:</b> Can support a variety of activities.</li> </ol>
<p><b>6. Right Connections</b></p> <ol style="list-style-type: none"> <li>1) <b>Reflect Community:</b> Make the market a symbol of identity.</li> <li>2) <b>Partners:</b> Involve organizations with related missions.</li> <li>3) <b>Public Transit:</b> Easy to get to.</li> <li>4) <b>Bring Neighborhoods Together:</b> Link different communities.</li> <li>5) <b>Greenways/Bike Trails:</b> We'll be seeing more and more.</li> <li>6) <b>Retail:</b> Mutual benefit with nearby stores.</li> <li>7) <b>Housing:</b> Built-in consumer base.</li> <li>8) <b>Local Economy:</b> Market as catalyst for local revitalization.</li> <li>9) <b>Giveback:</b> Demonstrate market's role strengthening local connections.</li> <li>10) <b>Cross-cultural:</b> Exchange of food, stories, and ideas.</li> </ol>	<p><b>7. Right Economics</b></p> <ol style="list-style-type: none"> <li>1) <b>Sustainable Foundation:</b> Realistic financial underpinnings.</li> <li>2) <b>Fundraising:</b> "bury" capital costs and open debt-free.</li> <li>3) <b>Fair Rents:</b> Create affordable business opportunities.</li> <li>4) <b>Community Health:</b> Helps justify public investment.</li> <li>5) <b>Spin Off:</b> Incubate new small businesses.</li> <li>6) <b>Job Creation:</b></li> <li>7) <b>Encourage Investments:</b> Market boosts value of surrounding real estate.</li> <li>8) <b>Keep Money Local:</b> Stem the flow of dollars to out-of-town corporations.</li> <li>9) <b>Hand-to-hand Economy:</b> Endangered in a cashless society.</li> <li>10) <b>Accountability:</b> Transparent and non-exploitative.</li> </ol>	<p><b>8. Right Promotion</b></p> <ol style="list-style-type: none"> <li>1) <b>Budget:</b> Don't overspend on expensive advertising.</li> <li>2) <b>Events and Demos:</b> Customers love them.</li> <li>3) <b>Public Relations:</b> Better than advertising.</li> <li>4) <b>Press Releases:</b> Stamps are cheap.</li> <li>5) <b>Market Image:</b> Clear, compelling, and consistent.</li> <li>6) <b>Partners:</b> Great venue for groups with overlapping missions.</li> <li>7) <b>Passive Education:</b> Agriculture, health and community.</li> <li>8) <b>Build Local Value:</b></li> <li>9) <b>Community Connections:</b> Provide a forum for interaction.</li> <li>10) <b>Sponsorships/Fundraisers:</b> Encourage support from funders and civic leaders.</li> </ol>	<p><b>9. Right Value</b></p> <ol style="list-style-type: none"> <li>1) <b>Quality Products.</b></li> <li>2) <b>Quality Experience.</b></li> <li>3) <b>Boosts Local Economy.</b></li> <li>4) <b>Creates Local Jobs.</b></li> <li>5) <b>Social Capital:</b> Shared experiences build community.</li> <li>6) <b>Affirm Sense of Place.</b></li> <li>7) <b>Dividend:</b> Help save a farm when you buy a tomato.</li> <li>8) <b>Psychic Well-being:</b> A fun way to feel good.</li> <li>9) <b>Local Food Systems.</b></li> <li>10) <b>Sense of Local Ownership:</b> It's our market.</li> </ol>	<p><b>10. Right Management</b></p> <ol style="list-style-type: none"> <li>1) <b>Fair.</b></li> <li>2) <b>Flexible.</b></li> <li>3) <b>Firm.</b></li> <li>4) <b>Open Minded.</b></li> <li>5) <b>Looking Ahead:</b> The art of planning.</li> <li>6) <b>Promotion Minded:</b> Promote the market at every opportunity.</li> <li>7) <b>Broad Outreach:</b> A diverse market is a strong market.</li> <li>8) <b>Capitalize on Niche Opportunities:</b> Small niches can be profitable.</li> <li>9) <b>Good Relations:</b> With both vendors and customers.</li> <li>10) <b>Effective Behind the Scenes:</b> Do whatever it takes to get the job done.</li> <li>11) <b>Front of the House:</b> Serve as host for both vendors and customers.</li> </ol>

Source: Project for Public Spaces

operations, including connecting market operators with market staff in other cities who can provide advice and expertise.

Whether a given market proponent retains PPS's services or not, the structure presented by their consulting practice provides a meaningful way to break up the market planning process into phases marketed by significant milestones: a preliminary concept report, a developed business plan, and an operational market. Confronted with a complex, iterative process such as planning a market, utilizing this structure may help to organize the planning process, especially for market proponents unfamiliar with development projects of significant size or complexity.

### **The Abridged Version: David O'Neil's Ten x Ten Matrix**

PPS presents yet another framework for evaluating a proposed (or existing) public market. Rather than a rigorous analytic framework, Senior Associate David O'Neal presents a matrix of ten qualities of successful markets, each of which is underpinned by nine or ten components. As O'Neal notes, "Underlying all of PPS's work is the 'Power of 10'—the idea that at least ten focal points are necessary to make a great place, with each of those areas offering ten things to do. Public spaces exhibiting the Power of 10 offer the depth, meaning and visceral connections that create satisfying everyday experiences."<sup>151</sup> O'Neal's take on the 'Power of 10' for public markets is presented in **Figure 2-3**. While these principles are not sufficient to drive a significant market planning process, they can serve as a quick reference for project planners as they cycle through the many analyses and conceptual iterations required to bring a market project to fruition.

### **Conclusion**

All land use and real estate decisions can be judged on the basis of "most fitting and probable use." The real estate problem typically faced by public market proponents like the Boston Public Market Association is the problem of a "use in search of a site," in which project proponent know what type of project it wants to develop, but do not yet know where or how. Like any real estate project, public markets demand an iterative

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<sup>151</sup> O'Neal, David. "Ten Qualities of Successful Public Markets." Available from PPS Website: [http://www.pps.org/markets/info/markets\\_articles/ten\\_characteristics](http://www.pps.org/markets/info/markets_articles/ten_characteristics). Accessed February 8, 2009.

planning process in which project proponents cycle through a variety of analytic frameworks; these analyses address in turn the project's economic context, financial structure, site and design issues, and public approvals. In each full cycle of these analyses, the project proposal is refined until the project itself can either go forward or must be abandoned. This process is at the heart of all real estate development, and even in the context of the use-in-search-of-a-site problem, the specifics of the intended use (e.g. public market) are reshaped through iterative analysis to best fit the project's physical, economic, financial, and political context until the project proposal represents the chosen site's "most fitting and probable" use.

A new public market is at heart a kind of retail development. Compared to other real estate uses, retail use introduces another level of complexity to project planning, demanding a better understanding of local economic conditions and more careful leasing and management. Successful retail development entails planning for successful retail businesses. The physical trade in goods and services that sustains retail tenants requires that successful retail developments plan for successful retail business. More than in office or residential properties, there is a synergy between the success of the tenants and the success of the property. Therefore, developers and operators of retail property need to have a good understanding not only of the supply and demand economics of retail space in their market area, but also of the supply and demand economics of the retail trade for prospective tenants. Careful management, tenant selection, and leasing arrangements are required to maintain a harmonious alignment of interests among the landlord and the tenants in order to achieve success.

While these considerations have a major bearing on public market development, public markets are also distinct from other kinds of retail. Most retail development is based on well-understood prototypes, each of which is associated with a typical shopping pattern, trade area, and tenant mix. Public markets are much more idiosyncratic, and cannot easily rely on comparable projects to articulate project planning assumptions. Ordinary retail development is primarily motivated by return on investment, including both cash flow from operations and capital return through appreciation in the property's value. Capital appreciation of public market property may actually act against public market proponents: As a public market site becomes more

valuable, it is more likely to be redeveloped. Moreover, because they cannot compete with other types of retail on an economic basis, contemporary public markets are not investment-driven developments like most retail facilities, but instead are developed in order to pursue a public or civic mission, a set of goals beyond the economic returns of successful development.

There is a small, specialized body of literature about public market development. The Project for Public Spaces (PPS), a non-profit organization dedicated to preserving and improving public spaces, is one of the principal advocates for public markets, and has developed both publications and a consulting practice addressing public market development. The public market planning framework articulated in the handbook for market development jointly published by PPS and the Urban Land Institute addresses many of the same areas of project analysis faced by any real estate project. The handbook includes useful guidelines specific to public market uses for site and design analysis, economic and market research, and financial feasibility testing. The PPS-ULI framework also introduces additional analytic dimensions beyond those typical of most real estate projects. The two most important of these new areas of analysis are an assessment of organizational capacity, and a formulation of project goals or mission that drives the proposed market's existence.

While the capacity of the development organization itself is an important concern for commercial retail developers, this issue is much more critical for would-be public market developers. Compared with ordinary retail, the sponsoring organization of a public market is a greater determinant of the character of the project itself. A public market's sponsor determines the market's mission. The mission, in turn, supplies the animating principles that guide the market's program, its merchandise mix, and its operations. For mainstream commercial retail projects, the project goal is typically to obtain a desired financial return. But mission-driven public markets require the project sponsors to set and articulate the non-financial goals that justify market development. Another reason that assessing organizational capacity is more critical in public market development is that financial capacity and access to capital impose harsher limitations on the sponsoring organization. Even with limited financial capacity, developers of

conventional projects enjoy easier access to outside capital compared to unorthodox uses like a public market.

Organizational capacity illuminates the key issue of market sponsorship. In order to establish a new public market hall, the sponsoring organization requires control of a suitable space. Unlike conventional retail real estate developers, groups attempting to develop a public market do not necessarily need to directly engage in property ownership and real estate development. In other words, public market proponents have a “buy vs. lease” decision: developing a new public market does not necessarily require the sponsoring organization to build a building. Public market proponents must consider a wider array of options as to obtaining space for market operation. Especially faced with limited financial and/or organizational capacity, public market proponents should consider the possibilities of leasing space in an existing building, or of participating in the joint-venture development of larger, mixed-use projects where other partners can bring more resources to the table.

### 03: A New Public Market for Boston

*Imagine a market that offers locally grown, healthy, affordable fresh food. Imagine a landmark that serves as a meeting place for all Bostonians and a showcase for the area's diverse products. Imagine a place of food, fun, and festivity, where rural and urban exchange occurs; where shoppers learn—and even see—how their food is produced; where Bostonians and visitors can enjoy a taste of the seasons and experience the spirit of the region. Imagine a place that opens new windows of opportunity for farmers, vendors and artisans, where ethnic goods are sold and cultural exchanges take place each day, where civic conversations begin and dialogue grows. Imagine that the setting for all of this is a truly public space. Imagine a Boston Public Market.*

- *Development Proposal for Boston Public Market*  
*Boston Public Market Association, 2003*<sup>152</sup>

The above description comes from a 2003 proposal by the Boston Public Market Association, and presents its vision of a new public market in Boston. The idea of creating this marketplace in contemporary Boston has its roots in the late 1990s with the Massachusetts Department of Food and Agriculture (DFA). DFA commissioned a feasibility study conducted by the Project for Public Spaces – Public Market Collaborative (PPS-PMC), which was delivered in 1998. Since that time, a 501(c)(3) non-profit corporation took shape, originally founded as the Friends of the Boston Public Market and now known as the Boston Public Market Association. This organization is dedicated to the realization of a permanent, year-round indoor market that “serves as an outlet for Massachusetts farm and food products and as a support for local entrepreneurial activities.”<sup>153</sup> Following the original 1998 PPS-PMC study, Seareach-CMI of Marblehead, Massachusetts conducted an additional planning study completed in 2000. Economic and demographic analyses from both studies have indicated that Boston could support a sizable (40,000 SF or more) public market. Since that time, seed funding has been secured and expended. A seasonal pilot market has been

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<sup>152</sup> Boston Public Market Association. *Toward a Boston Public Market: A Proposal*. Available at: <http://www.mass.gov/agr/markets/publicmarket.htm>. Accessed February 24, 2009.. p.4.

<sup>153</sup> Boston Public Market Association Website: <http://bostonpublicmarket.org/mission.html>. Accessed February 13, 2009.

launched, moved, and cancelled. The Boston Public Market building described in the 2003 proposal quoted above was planned for completion in 2005, and has yet to be realized. Nobody has ever said it was easy to build anything in Boston.

This chapter relates the history of the drive toward a Boston Public Market, and the proponent organization behind it. After discussing the origins of the idea to build a new market for Boston, this narrative includes a review of the major areas of analysis, findings, and conclusions of both the 1998 PPS study and the 2000 Seareach-CMI study. Throughout, BPMA's activities are discussed, including the operation of seasonal outdoor markets at two different sites downtown. The chapter concludes by reviewing recently emergent developments in the public market story, which may provide a site, funding, and a broader context for a Boston Public Market.

The story of BPMA's first ten years illustrates the complexity and challenge of simultaneously developing an organization, a real estate project, and a public amenity. It is not usual for any development project to take years to come to fruition, especially in a city where real estate developments are carefully scrutinized by both government agencies and the public. However, public market development is unusually challenging. When the additional elements of organizational and programmatic development are included in the mix, developing a new public market is a deeply difficult task. The Boston Public Market Association has not yet succeeded, but remains patiently dedicated to bringing a new market hall to central Boston. A new opportunity for a BPMA-operated market hall to be a part of a larger market district in conjunction with Haymarket, located as a component within another real estate deal, is an incredibly promising opportunity. This opportunity may represent just the kind of conjunction of interests and agendas that can best support the development of a public market use.

### **Boston Public Market Beginnings & the 1998 Project for Public Spaces Study**

The idea of a new public market hall in Boston emerged from the Commonwealth's Department of Food and Agriculture (DFA) in the mid-1990s. Based on the increasing success and popularity of seasonal farmers' markets, officials at DFA viewed an indoor market as an opportunity to expand sales of Massachusetts farm and food products, as well as to provide educational experiences about food production and

farming. According to David Webber, Farmers Market Program Coordinator for the Department of Agricultural Resources (DFA's current name), it was also hoped that a year-round indoor market would support an increase in sales of locally produced foods in both volume and range of products—including meats, seafood, and dairy products—which are more challenging to sell outdoors than fruits and vegetables.<sup>154</sup>

In late 1996, with leadership from Janet Christensen, Director of Education for DFA, the Department successfully sought a grant from the United States Department of Agriculture to support a consultant study for the creation of a new public market. In 1997, DFA selected Project for Public Spaces – Public Market Collaborative (PPS-PMC) to undertake this market planning study. PPS-PMC conducted its work over the summer and fall of that year. Meanwhile, DFA staff met with other agencies, including the City of Boston's Sustainable Boston program, to discuss the market concept.<sup>155</sup> In early 1998, PPS-PMC presented its report, addressing four areas of analysis: site feasibility, economic feasibility, vendor capacity and interest, and strategic direction. Key findings from these four areas are discussed below.

### *Site Feasibility*

Using the same basic criteria discussed in Chapter Two, the PPS-PMC study team analyzed a list of potential sites provided by the City of Boston through the Boston Redevelopment Authority.<sup>156</sup> A number of the sites were ruled out immediately due to unavailability, insufficient size, or transportation and parking issues. Interestingly, Central Artery Parcel 7, which is currently the leading potential site for the market, was considered to be too small. The study's authors preferred a location in the South Boston Seaport District, although a specific site was not identified. Availability of developable land, much of it publicly owned by the Massachusetts Port Authority (Massport), was one of the primary advantages of the Seaport location. Other positive factors included the attraction of the waterfront itself, improved transportation

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<sup>154</sup> Webber, David, Farmers Market Program Coordinator, Agricultural Development, Massachusetts Department of Agricultural Resources. Personal Interview. December 8, 2008.

<sup>155</sup> Boston Public Market Association. *Toward a Boston Public Market: A Proposal*. p. 23.

<sup>156</sup> Boston Public Market: Facility and Business Development Plan / [prepared by Project for Public Spaces, Inc./Public Market Collaborative, New York, NY; with Real Estate Planning Group, Chicago, IL]. Boston, MA : Massachusetts Department of Food and Agriculture, 1998. p. 22.

connections as a result of the Big Dig, and public and private interest in the development of Boston's last urban frontier. Disadvantages included ongoing Big Dig construction, relatively little nearby residential population, and a public perception of the Seaport as remote and inaccessible. A preferred alternative was identified in Central Artery Parcels 19 and 21. The Massachusetts Horticultural Society was designated to develop a botanical garden on those parcels (as well as Parcel 22, near South Station) at the time, but it was hoped that a partnership between the garden and the market could be formed. The Central Artery parcels have remained locations of interest to Boston's public market proponents ever since, including both Parcel 22 at Dewey Square and Parcel 7 at Haymarket.

### *Economic Feasibility*

PPS-PMC projected potential sales at a Seaport public market using spending information from the Bureau of Labor Statistics' Consumer Expenditure Survey and a computer-based retail gravity model that put the proposed market in competition with nearby supermarkets. Its analysis found that Boston could support a Seaport market of 40,000 square feet with annual sales of at least \$16 million and as much as \$22 million or more.<sup>157</sup> This estimate was conservative, based on a smaller primary trade area than is typical for a public market, a lower than usual percentage of out-of-trade-area sales, and limited categories of merchandise.<sup>158</sup> The analysis was based on a waterfront location along Northern Avenue, which would yield a trade area radius that was half ocean, further reducing potential sales from the immediate area. The preferred market size of 40,000 square feet was determined by assuming a rent per square foot of \$45, and backing out the facility size based on maintaining a 5% ratio of occupancy cost to gross sales.<sup>159</sup> Projected sales by food category also informed PPS-PMC's programming recommendations, which entailed the 40,000 square foot market hall housing 20-25 permanent vendors in the primary fresh food categories of produce, meats, seafood, and baked goods. An outdoor plaza would provide space for seasonal

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<sup>157</sup> *Ibid.* Executive Summary.

<sup>158</sup> *Ibid.* Executive Summary.

<sup>159</sup> *Ibid.* p. 13.

outdoor sales, especially by farmers. Restaurant and office uses were identified as possibilities for a second story, should the market have one.

### *Vendor Capacity and Interest*

While it is one thing to argue that a public market would be economically feasible, actual implementation requires vendors who are both capable of and interested in locating at the market. To assess the potential pool of vendors, PPS-PMC conducted a statistical analysis of farms and farm products within both 50- and 100-mile radii from the proposed site. The PPS-PMC team also conducted a survey of Massachusetts food producers to assess their interest in the market and to identify their concerns about potentially selling there. The statistical analysis found 9,182 farms within 100 miles of the city, producing fruits, vegetables, livestock, poultry, and greenhouse and nursery products. 24% of these farms engaged in direct sales to consumers, more than double the rate prevailing nationwide, along with higher than usual average sales per producer.<sup>160</sup>

The survey of local food producers garnered nearly three hundred replies, including almost 100 vendors interested in becoming market tenants.<sup>161</sup> The survey also sought out areas of concern among potential tenants. The three most commonly voiced concerns about selling at the public market were cost to rent space, effectiveness of location, and adequacy of parking, delivery, and storage facilities.<sup>162</sup> Based on the survey results, PPS-PMC identified a number of issues for further study from among the other vendor concerns, including City of Boston health codes and regulations, vendor liability, and hours of operation. Given that the 40,000 square foot market proposed would house 20-25 vendors, this level of interest certainly appeared sufficient to lease the proposed market hall.

### *Strategic Direction*

The final major component of the PPS-PMC report addressed planning and strategy for actually developing the market proposed, and much of this material was

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<sup>160</sup> *Ibid.* p. 24.

<sup>161</sup> *Ibid.* p. 25.

<sup>162</sup> *Ibid.* p. 25.

based on the guidelines in the PPS/ULI market handbook. The subjects covered in this section of the report included vendor mix, operating principles and regulations, market design, organizational structure, development and operating pro formas, a promotion program, and a project start-up plan. These topics fall into two groups: recommendations about the market building and its operations, and organizational recommendations.

Although a specific site was not identified by this report, the report included a prototypical floor plan for the market building itself. The plan included 18,000 square feet of permanent vendor stalls and a number of small day stalls, along with a canopied area for outdoor sales. The report included suggestions for how these stalls should be tenanted: along with a list of potential vendor categories that echoed the food categories included in the market analysis, PPS-PMC suggested a balance of 60% “fresh food” vendors and 40% other products, including specialty foods, prepared foods, and nursery/greenhouse products such as flowers and live plants. In order to adhere to the mission of supporting local food producers, the report noted that regulations would need to be put in place governing both products and vendors. First and foremost would be a list of allowable and unallowable products, along with stipulations about which vendor types can sell what products. The report also included development and operating budgets for the market described, as well as analysis of two different funding scenarios.

The other area of strategic recommendations is aimed at organizational development in order to see the market project through. PPS-PMC recommended that the market be operated by a non-profit 501(c)(3) organization in partnership with the public sector.<sup>163</sup> As an interim step toward a formal organization, the report suggests forming an advisory task force headed by the DFA commissioner with a co-chair from the ranks of local business. The task force would include other representatives of both the public and private sector, along with individuals with relevant professional skills (e.g., architecture, law). Eventually assisted by a part-time staff organizer, this group would continue the planning and development process, eventually becoming the Board of Directors for the non-profit operating the market. The report also made

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<sup>163</sup> *Ibid.* p. 32.

recommendations for market promotion, advocating for non-traditional marketing (events, partnerships, etc.) rather than advertising.<sup>164</sup> The final topic in the PPS-PMC report was a start-up plan consisting of next steps to take the market project down the road to fruition. The report suggests staging a series of “market festivals” to introduce the concept of the market and to generate interest and support. These events would not only attract potential customers and build relationships with potential vendors, but would be likely to generate free media coverage.

### **A Closer Look: Friends of the Boston Public Market and the 2000 Seareach-CMI Study**

Prior to the completion of the PPS-PMC study, an ad-hoc group including Massachusetts DFA personnel and other individuals interested in supporting the development of a public market formed the Friends of the Boston Public Market in the winter of 1997. This group was similar to the task force recommended by the PPS-PMC report. The PPS-PMC report was presented to a group of food producers and state officials in the early months of 1998. Afterward, additional public officials and representatives of interested organizations joined the Friends group, which met regularly to continue planning for the market. The summer of 1998 saw the Friends of the Boston Public Market stage promotional events, just as the PPS-PMC report recommended. These events included participation in the “Celebrate Seaport” weekend organized by the Boston Harbor Hotel, one of the first major new real estate developments in the area. These events were sponsored in part by the U.S. Environment Protection Agency. The Friends group published a four-color brochure in the winter of 1999, and participated in the 2<sup>nd</sup> “Celebrate Seaport” festival. In the autumn months of 1999, DFA secured additional grant funding from both the USDA and the Boston Foundation to sponsor a second consultant study aimed at considering additional market sites, and taking a closer look at local consumer preferences and economics.

Seareach/Consensus Management, Inc. of Marblehead, Massachusetts was selected to undertake this second study. Founded in 1980, Seareach-CMI “is a management consulting firm specializing in providing businesses, communities and

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<sup>164</sup> *Ibid.* p. 37.

groups with expertise in comprehensive development planning, organizational structure, and interpersonal relationship skills that lead to consensus building and conflict resolution.”<sup>165</sup> Seareach-CMI conducted its research and analysis through the spring and summer of 2000, in association with Reed Consulting, market research firm Proteus Research of Framingham, and Design Science of Marblehead. Seareach-CMI’s report was delivered in the fall of 2000, with a presentation made to food producers, architects, representatives of city and state agencies, and other food/agricultural groups. After reviewing the prior history of the market effort, including the PPS-PMC report, the new study addressed four areas of inquiry: other kinds of market activity in Boston; shopper surveys at supermarkets, farmers’ markets, and Haymarket; updated and expanded market analysis; and financial feasibility. The report closed with conclusions and recommended next steps. Key findings from these four areas are discussed below.

### *Boston’s Other Markets*

Interestingly, the PPS-PMC report did not include any discussion of food marketing activity in Boston that could be considered similar to the proposed public market, such as farmers’ markets or Haymarket. These vital, but previously neglected markets were the first area addressed in the Seareach-CMI report. After a brief review of public and farmers’ market history, the Seareach-CMI report noted the phenomenal national growth in the number of farmers’ markets, an increase of 453% from 1969 to 1989.<sup>166</sup> The report identified a total of 26 farmers’ markets operating seasonally on one or two days a week in the Boston metropolitan area. According to the report, the products offered at these markets include fruits and vegetables, seafood, and specialty foods.<sup>167</sup>

The other market activity discussed is Boston’s historic Haymarket, the last vestige of Boston’s central food market along Blackstone Street north of Quincy Market. The Haymarket pushcart vendors operate Friday and Saturday, primarily selling surplus produce from the wholesale markets in Chelsea and Boston’s Newmarket Square.

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<sup>165</sup> Seareach-CMI website: <http://www.seareach-cmi.com/>. Accessed February 18, 2009.

<sup>166</sup> Study of the Feasibility, Development and Promotion of a Boston Public Market / [Conducted by: Seareach-CMI, Marblehead, MA; Reed Consulting, Cambridge, MA; and Design Science, Marblehead, MA]. Boston, MA: Friends of the Boston Public Market, 2000. p. 2-1.

<sup>167</sup> *Ibid.* p. 2-4.

Seareach-CMI noted Haymarket's lack of space and supporting facilities, and urged support for the historic pushcart market. The report also noted Haymarket's "strong and loyal" following among large households, ethnic communities, and low- and moderate-income families.<sup>168</sup>

### *Shopper Surveys: Supermarkets, Farmers' Markets and Haymarket*

In order to assess the demographic characteristics and preferences of food shoppers, Seareach-CMI worked with Proteus Research to design and conduct surveys of shoppers at Boston area supermarkets, farmers' markets and Haymarket. Supermarket shoppers were surveyed by telephone, while farmers' market and Haymarket shoppers were surveyed through intercept interviews at the markets themselves.<sup>169,170</sup> This section of the report also included some analysis of supermarket trends based on industry publications, and made note of increases in sales of fresh produce and explosive growth in the natural foods segment of the national grocery market.

The surveys found that the majority of shoppers in all three surveys was white, had household income of less than \$75,000, and was between 30 and 60 years of age. The surveys found differences in household size, income levels, trade area, and transportation patterns at each of the three types of food outlet. Haymarket shoppers were found to generally come from larger households than either supermarket shoppers or farmers' market shoppers. A larger portion of Haymarket shoppers reported household incomes below \$24,000 than at other markets as well. Haymarket drew customers from a wider area than the other food outlets, and its customers reached the market through a variety of transportation modes. Remarkably, just less than half either took public transit or walked.<sup>171</sup> By contrast, supermarket shoppers overwhelmingly traveled by private automobile and traveled shorter distances. Farmers' market shoppers represented the opposite extreme: walking was the most prevalent transportation mode and most customers were drawn from within a mile or two.

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<sup>168</sup> *Ibid.* p. 2-4.

<sup>169</sup> *Ibid.* p. 3-1.

<sup>170</sup> *Ibid.* p. 3-8 and 3-13.

<sup>171</sup> *Ibid.* p. 3-13 – 3-17

Shoppers were generally drawn to supermarkets due to convenience, to farmers' market due to quality of product, and to Haymarket due to low prices.

### *Market Analysis*

Rather than focus on a single potential site as the PPS-PMC study did, the Seareach-CMI study examined economic conditions and sales potential at two different locations: a central city location (CCL) in the downtown area and western city location (WCL) in the area of Ruggles station in the Roxbury neighborhood. In general, Seareach-CMI associates a potential WCL with shopper demographics similar to Haymarket shoppers (larger households, lower incomes) and a CCL market with typical farmers' market shoppers (smaller households, higher incomes).<sup>172</sup> Seareach-CMI projected sales of \$27.3 million at a central city market and \$18 million at a western city market. One of the more interesting components of Seareach-CMI's market analysis was a comparison of its sales projection for the center city Boston Public Market with actual sales and food expenditures in ten other cities in the United States and Canada. Although the study estimated a lower capture rate for a Boston market than was observed in other cities, the estimate of \$27.3 million in gross sales compared favorably with successful public markets including Vancouver's Granville Island and Philadelphia's Reading Terminal market.

### *Financial Feasibility*

The Seareach-CMI report does not provide the detailed development and operating budgets seen in the PPS-PMC report, but instead proposes four programmatic options, all of which include permanent and seasonal vendors, along with a specialty grocer. According to the report, these development options were assembled based on a review of other North American public markets, along with "interviews conducted with Boston real estate agents, commercial operators of restaurants, grocery stores, and specialty food stores, and on our own knowledge of the present Boston real estate market."<sup>173</sup> The fundamental criterion of feasibility employed by the Seareach

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<sup>172</sup> *Ibid.* p. 4-14.

<sup>173</sup> *Ibid.* p. 5-1.

report was whether or not the market would have positive cash flow by the end of the second year, including coverage of capital costs, with the object of avoiding any need for state or city subsidy funds. Based on this criterion, the preferred program was a 40,000 square foot market comprised of 14,000 leasable square feet of “produce space” for year-round vendors, 2,500 square feet for seasonal vendors, and a 5,000 square foot specialty grocer. The program also included 4,000 square feet for two restaurants and 2,000 square feet for a wholesale distribution facility for local produce. This option was preferred based on the strength of its projected revenue and its program’s appeal to central city demand for fresh produce, seafood, and prepared foods.

### *Conclusions and Recommendations*

The Seareach-CMI report concludes that a new public market in Boston is adequately supported by market demand, and that projected sales compare favorably with sales and capture rates at other North American Cities.<sup>174</sup> For the development of a larger market of 40,000 to 50,000 square feet with a full range of offerings and program components, a central location near downtown would be a better fit than an outlying location in the Roxbury area.<sup>175</sup> Like the PPS-PMC study, the Seareach-CMI report recommended that a non-profit public/private development corporation be established to oversee the development and operation of this market, modeled on similar entities in Seattle (Pike Place) and Vancouver (Granville Island).<sup>176</sup> Interestingly, the report also recommends cooperation and coordination with the Haymarket, including activities such as distribution of surplus foods to nutrition and hunger prevention organizations.<sup>177</sup>

### **Boston Public Market Association 2001-2004**

With two encouraging planning studies at hand, the market project continued to gather steam. Friends of the Boston Public Market was formally incorporated in 2001, and later changed its name to the Boston Public Market Association, as reflected in a

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<sup>174</sup> *Ibid.* p. 6-2.

<sup>175</sup> *Ibid.* p. 6-3.

<sup>176</sup> *Ibid.* p. 6-4.

<sup>177</sup> *Ibid.* p. 6-5.

2003 filing with the Secretary of the Commonwealth. As an organization, BPMA is the primary project proponent for the development of a new public market in Boston. According to David Webber of the Massachusetts Department of Agricultural Resources (DFA's current name), the DFA was never envisioned as an operational player in market development, and has taken a supporting role in organizing and continuing dialogue.<sup>178</sup> Both David Webber and Janet Christensen are members of BPMA's current Board of Directors. In the spring of 2001, the Friends group established an executive committee, chaired by Board President and local real estate attorney Greg Bialecki. Additional committees were formed for Marketing and Education and Site Development. The organization also began publishing a quarterly newsletter. In the summer of that year, the Friends again participated in the "Celebrate Seaport!" event. Two Public Market events were also held at the City Hall Plaza Farmers' Market. Toward the end of the year, the group renamed itself the Boston Public Market Association, and established siting criteria and a master agenda

In 2002, Nick Weideman and Steve Wolf of the architecture and planning firm Goody, Clancy and Associates, assisted BPMA in creating a full color proposal document explaining the market concept and the organization's plans to bring the market to Boston. At this point, the organization had a full-fledged board of directors with 25 members including farmers, chefs, real estate professionals, representatives of agricultural and nutrition organizations, and ex officio members from the Department of Food and Agriculture, Boston Redevelopment Authority, and City of Boston Environment Department.<sup>179</sup> The proposal, unveiled in 2003, included letters of support from Boston Mayor Tom Menino and Massachusetts Agricultural Commissioner Doug Gillespie, along with letters from eight different local food-oriented organizations and businesses. The proposal included a development budget of \$8-9 million for the construction of a 40,000 square foot market structure accompanied by 20,000 square feet of outdoor selling space.<sup>180</sup> Proposed funding for the market was equally divided among private contributions, government grants, and conventional debt financing. As of

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<sup>178</sup> Webber, David, Farmers Market Program Coordinator, Agricultural Development, Massachusetts Department of Agricultural Resources. Personal Interview. December 8, 2008.

<sup>179</sup> Boston Public Market Association. *Toward a Boston Public Market: A Proposal*. Frontispiece.

<sup>180</sup> *Ibid.* p. 14.

February 2009, this document was still available online from the Commonwealth's Department of Agricultural Resources.<sup>181</sup>

In 2003, the organization was awarded 501(c)(3) status by the IRS, and continued to work toward the goal of establishing a new public market in Boston. Meanwhile the hunt for a site and for funding continued. At some point between 2003 and 2004, the organization secured grant funding from the Boston-based Barr Foundation, and began the search for an executive director. In September 2004, BPMA hosted simultaneous fundraising dinners at eighteen Boston area restaurants and was the subject of a feature article in the *Boston Globe*.<sup>182</sup> Toward the end of the year, the organization began to interview candidates for the position of executive director, and after considering roughly fifty applicants, selected Howard Liebowitz, a veteran of City Hall and former Director of Intergovernmental Relations for Mayor Menino.

In 2004, the organization also launched an unsuccessful bid for Central Artery Parcel 18, a Turnpike-owned Greenway site between International Place and Rowe's Wharf. BPMA was competing for space on the Central Artery greenway with proposals for other high profile civic amenities: the Boston Museum and the New Center for Arts and Culture, both projects with substantial backing and high profile architects. Daniel Libeskind is attached to the New Center, a venue for the performing arts and cultural exchange. The Boston Museum was working with Moshe Safdie at the time (later replaced by Cambridge 7 Architects). BPMA lost their bid for Parcel 18 to the New Center for Arts and Culture. The New Center is currently projecting a 2012 completion.<sup>183</sup>

### **Market Pilot Projects: Northern Avenue Bridge and Dewey Square Markets**

Despite failing to secure the Greenway site, the next years brought a flurry of activity and media coverage. In the summer of 2005, the BPMA organization took another step forward with the launch of its first seasonal market. The organization also added its second employee, Sarah Kline, as market manager. This first of two different

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<sup>181</sup> Massachusetts Department of Food and Agriculture: <http://www.mass.gov/agr/markets/publicmarket.htm>. Accessed February 21, 2009.

<sup>182</sup> Yonan, Joe. "Will Boston get a public market?" *The Boston Globe*. September 8, 2004.

<sup>183</sup> New Center for Arts and Culture website: <http://www.ncacboston.org/vision.asp>. Accessed March 3, 2009.

seasonal markets operated by BPMA took place on the Old Northern Avenue Bridge, adjacent to the Moakley Courthouse from July through November. The market included 15 vendors selling produce, bread, meats, dairy, and flowers from matching tents, with coordinating banners advertising the market. The presence of electricity on the city-owned bridge allowed the market to offer refrigerated and frozen products that were not sold at other farmers' markets at that time. The BPMA paid the City roughly \$9,000 for the use of the bridge.<sup>184</sup> This summer market was intended as a pilot program to introduce the market concept to city shoppers and to develop the organization's managerial expertise. New Hampshire newspaper *The Nashua Telegraph* quoted BPMA Executive Director Liebowitz as saying, "The bridge is a terrific and fun site, and it adds a lot to the waterfront area. But in the long run, we want to find a location for a year-round facility. This is really a demonstration of what we might be able to offer in a permanent facility."<sup>185</sup>

In 2006, the BPMA's seasonal market activities expanded with the opening of a second outdoor market at Dewey Square, also known as Central Artery Parcel 22, which sits across Atlantic Avenue from the Federal Reserve Bank of Boston and South Station. The Northern Avenue Bridge market continued to operate, as well. The Dewey Square Market was the first active use of the Kennedy Greenway, and that site is still under consideration by BPMA as a future permanent home. Each market operated one day a week, but the Dewey Square Market featured a larger number of vendors, as well as being conveniently located just steps from South Station. BPMA had hoped to incorporate additional programming such as cooking demonstrations and other activities.<sup>186</sup> However, the organization was unable to obtain permits to allow a mobile kitchen to be deployed on site due to City permitting regulations through its Inspectional Services Department. This was definitely unfortunate, because a mobile kitchen would have truly distinguished the Dewey Square Market from other local farmers' markets, and helped to provide a better sense of the kind of programming that a new public market hall could offer.

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<sup>184</sup> Yonan, Joe and Thomas C. Palmer Jr. "Stalls may serve as a bridge to a goal." *The Boston Globe*. June 29, 2005.

<sup>185</sup> Wallack, Juliette. "Market rallies to find year round support." *The Nashua Telegraph*. September 4, 2005.

<sup>186</sup> Yonan, Joe. "Group hopes 2d market will become year-round." *The Boston Globe*. June 8, 2006.

## Slow Going for the Public Market

In the autumn of 2006, the election of Deval Patrick as Governor of Massachusetts brought further changes to the BPMA. Governor Patrick appointed BPMA Board President Greg Bialecki to a position in the Executive Office of Housing and Economic Development. Subsequently, Bialecki withdrew from active engagement with the Public Market project in order to avoid potential conflicts of interest. Current Board President Don Wiest, also a real estate attorney, and former Land Use Counsel for the BRA, would replace Bialecki in September 2007. In the interim, the remaining board members and Executive Director Liebowitz would carry the organization forward.

That summer, the Northern Avenue Bridge was abandoned in favor of concentrating on the Dewey Square Market. However, market operations at Dewey Square proved to be a major logistical headache. Due to the installation of new turf and pavement, BPMA was prohibited from driving trucks onto the site. As a result, vendor loading and unloading required street closures and extensive police details, which amounted to roughly an additional \$20,000 in operating expenses.<sup>187</sup> While public officials and media outlets such as the Boston Globe editorial page continued to express support for a seasonal market at Dewey Square, the market failed to provide much revenue to BPMA.

In the winter of 2007-2008, the BPMA lost its principal source of financial support when the Barr Foundation elected not to renew the organization's funding. Liebowitz stepped down as Executive Director, although he would continue working with the organization in a consulting role. The early part of the year proved to be one of retrenchment: with a reduced budget and no permanent staff, the organization elected to discontinue the Dewey Square market. However, enthusiasm for the overall market project did not wane. As founding board member Janet Christensen puts it, "So many people think it's a good idea. New individuals step forward to replace those who fall to the wayside."<sup>188</sup> And indeed, later in the year, a reinvigorated Board with Wiest in the President's chair would continue to make incremental advances toward building a

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<sup>187</sup> Boston Globe Editorial. "Lettuce for the Greenway." *The Boston Globe*. June 17, 2008.

<sup>188</sup> Christensen, Janet, former Director of Education, Massachusetts Department of Food and Agriculture; Board of Directors, Boston Public Market Association. Personal Interview. February 21, 2009.

Boston Public Market, along with several promising developments external to the BPMA organization.

### **New Momentum for the Boston Public Market: 2008-2009**

In the winter and spring of 2009, a renewed sense of energy is infusing the Boston Public Market project. With board president Don Wiest in place since 2007, BPMA's board of directors currently includes a dynamic mix of professionals from the fields of law, real estate, farming, culinary education, restaurant hospitality, public relations, and government – along with a number of the market's earliest proponents. Moreover, a string of recent events indicate more promising opportunities to develop a new public market than have been seen to date. The conclusion of the "Big Dig" Central Artery/Tunnel project saw the end of more than ten years of disruptive construction activity downtown and along the waterfront in Boston, and improved connectivity to those neighborhoods by both road and public transit.

The Big Dig also created one of Boston's most significant new public amenities since the 19<sup>th</sup> century, the Rose Kennedy Greenway, which officially opened in October 2008. Also in 2008, the Boston Redevelopment Authority commissioned a study for the creation of a Market District encompassing both the existing Haymarket pushcart vendors and other market uses including an indoor market such as that envisioned by BPMA. Following the completion of the Big Dig, the Massachusetts Turnpike Authority is offering several Central Artery development parcels for ground lease, including parcels in the BRA's proposed market district. Finally, in the Massachusetts legislature, the 2008 Environmental Bond Bill authorized funding support for a Boston Public Market, creating the potential for a significant public subsidy for new market development. These events, all of them external to the BPMA, have the potential to provide both a site and funding for a new public market hall.

### *Beyond the Big Dig*

It is difficult to overstate the impact on central Boston of the Big Dig's completion. For more than ten years, one of the world's largest engineering works snarled traffic and sowed general chaos as the 1950s-era Central Artery was replaced by tunnels — while

remaining in service. While volumes can and have been written about the Central Artery/Tunnel project, the significant point for the public market is that the elevated expressway's demolition left behind more than twenty acres of new space in Boston's urban fabric, space designated to be filled with parks and civic amenities. At least since the 1998 PPS-PMC feasibility study, Central Artery parcels have been eyed by BPMA as potential market sites, and the organization's Dewey Square market was held on Central Artery Parcel 22. The network of parks and development sites created by the Big Dig is now known as the Rose Kennedy Greenway, which officially opened with a daylong celebration on October 4, 2008. BPMA was a participant in the event, and the Dewey Square market returned as a special event sponsored in large part by the Rodale Foundation. As of February 2009, control and management of the Greenway has been transferred under a ground lease to the private non-profit Rose Kennedy Greenway Conservancy, which is eager to enliven and activate Boston's newest public major public space. BPMA is currently planning to again operate an outdoor market on Parcel 22 during the summer of 2009.

#### *Haymarket's Neighbors: Parcels 7 and 9*

Along with the handover of the Kennedy Greenway to the Conservancy, the Turnpike Authority is also moving to ground lease several other Central Artery Parcels, including Parcels 7 and 9 at Haymarket. Both of these sites have been considered by BPMA, even though the PPS-PMC study deemed Parcel 7 to be of insufficient size. The locations of these Parcels are shown below in **Figure 3-1**. Parcel 9 is an undeveloped lot between Blackstone Street and Surface Road between Hanover and North Streets. Parcel 7, adjacent, is the location of a Central Artery ventilation building that was wrapped by a five-level structure including a parking garage, office space, and ground floor retail. This garage structure was constructed as a mitigation measure for the North End and Haymarket neighborhoods, which lost significant parking space when the Central Artery was replaced. The Parcel 7 building is vacant unfinished shell space and the Turnpike Authority issued a Request for Proposals to ground lease and improve

the structure in October 2008.<sup>189</sup> Both Parcels 7 and 9 were conveyed from the City to the Turnpike Authority prior to the Big Dig, and their future reuse is conditioned by agreements between the City and the Turnpike.

**Figure 3-1: Locus Map of Central Artery Parcels 7 & 9**



Source: City of Boston / Boston Redevelopment Authority

The BRA is integrally involved in the process of redeveloping Parcels 7 and 9, and is responsible for conducting a public planning process and for supplying design and use guidelines to the Turnpike Authority and future site users. In November 2008, a letter from BRA Director John A. Palmieri was included as an addendum to the RFP. In this letter, Director Palmieri references a study project the BRA had sponsored for the

<sup>189</sup> Massachusetts Turnpike Authority Website: <http://www.masspike.com/business/parcel7garage.html>. Accessed February 12, 2009.

creation of a market district anchored by the existing Haymarket pushcart vendors. This study was undertaken by the Project for Public Spaces with David O’Neil as the lead investigator. A memorandum from O’Neil was included with Palmieri’s letter, and discusses Parcel 7 as a component of the proposed market district along with a caution that the eventual master developer of Parcel 7 should not expect more than “minimal” income from the market.<sup>190</sup>

While BPMA was not in a position financially or organizationally to respond to the Parcel 7 RFP as a potential master developer, there may be a place for the market as a subtenant under another developer’s ground lease. The Turnpike Authority accepted two proposals in response to the RFP, which have in turn been shared with the public. One proposal, from Boston-based Winn Development, would use Parcel 7’s upper floor office space as the company’s corporate headquarters, and includes a public market featuring local products and a marketplace café/restaurant on the ground floor.<sup>191</sup> Winn Development has met with BPMA board members, and the two parties are discussing a possible relationship. The other proposal, from Philadelphia-based Hersha Development, envisions a mid-price limited-service hotel use at the site, requiring the construction of an addition to the building above the current parking garage. Their proposal also includes a marketplace use on the ground floor.<sup>192</sup> However, their proposal is less definite about the market’s orientation, and mentions a seafood market, local produce market, and an Italian marketplace and café oriented to the nearby North End.

It is presently unknown when the Turnpike will select a master tenant for Parcel 7, and the RFP for Parcel 9 has only recently been released. Among the expected bidders for Parcel 9 is the Boston Museum project, which is already designated to develop nearby Parcel 12.<sup>193</sup> However, since BRA opinion and design guidelines are strongly in favor of food market uses on both parcels, participation in development at Parcel 7 or 9 is a major opportunity for BPMA to pursue its goal of opening a new public

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<sup>190</sup> Addendum 1 to Parcel 7 RFP, p. 7. Available from Massachusetts Turnpike Authority: [http://www.masspike.com/pdf/real\\_estate/p7rfp\\_addendum1.pdf](http://www.masspike.com/pdf/real_estate/p7rfp_addendum1.pdf). Accessed March 1, 2009.

<sup>191</sup> Winn Development Proposal for Parcel 7: [http://www.masspike.com/pdf/real\\_estate/parcel\\_7\\_winn.pdf](http://www.masspike.com/pdf/real_estate/parcel_7_winn.pdf). Accessed March 7, 2009.

<sup>192</sup> Hersha Development Proposal for Parcel 7: [http://www.masspike.com/pdf/real\\_estate/parcel\\_7\\_hersha.pdf](http://www.masspike.com/pdf/real_estate/parcel_7_hersha.pdf). Accessed March 7, 2009.

<sup>193</sup> Boston Museum Website: <http://www.bostonmuseum.org/vision.html>. Accessed March 4, 2009.

market without shouldering the burden of developing a real estate project from the ground up. Such a location would be a compromise: the building might not be exactly what BPMA would like, and the organization would sacrifice some autonomy by being a tenant rather than a landlord. However, such an arrangement could well lead to a market opening long before it otherwise could, and the broader context of a designated market district could enhance the market's competitive position in the City's food landscape.

### *Haymarket Plus: the BRA Market District Study*

The idea of creating a market district around the historic Haymarket pushcart vendors has been circulating at the Boston Redevelopment Authority dating back to early planning for the Big Dig. Haymarket's area of operations was eaten away by both the construction of the original Central Artery and its replacement in the Big Dig. The notion of creating an improved and expanded Haymarket following the expressway's demolition can be found in *Boston 2000: a plan for the Central Artery*, a BRA planning document adopted in 1991.<sup>194</sup> Moreover, the 1988 Land Disposition Agreement that transferred Parcel 7 to the Turnpike stipulates that development of the parcel must "complement the operation of pushcart markets and enhance the public's patronage of the pushcart vendors."<sup>195</sup> According to BRA Deputy Director Dick Garver, Turnpike plans to ground lease Parcel 7 (and the neighboring Parcel 9), drove the BRA to start seriously investigating the creation of a market district around the Haymarket pushcart vendors and the Blackstone block in order to ensure that ground floor uses at those two parcels would complement both Haymarket and the Greenway parks.<sup>196</sup> The Authority issued an RFP for consultants to perform a market district planning study in August of 2008 and selected Project for Public Spaces to undertake this project.

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<sup>194</sup> City of Boston/Boston Redevelopment Authority. *Boston 2000: a plan for the Central Artery*. 1990. p.33.

<sup>195</sup> "Land Disposition Agreement by and between the Boston Redevelopment Authority and the Commonwealth of Massachusetts. December 22, 1988." Exhibit E, Page 5. Included as Appendix A to Parcel 7 RFP. Available from Massachusetts Turnpike Authority website: [http://www.masspike.com/pdf/real\\_estate/p7rfp\\_addendum1.pdf](http://www.masspike.com/pdf/real_estate/p7rfp_addendum1.pdf). Accessed March 1, 2009.

<sup>196</sup> Garver, Dick, Deputy Director, Boston Redevelopment Authority. Personal Interview. December 12, 2008.

Market districts, as described by PPS's public market taxonomy, are the most complex and mature form of public market. Market districts like Seattle's Pike Place or Detroit's Eastern Market are comprised of multiple market halls, sheds, and outdoor vendors all overseen by centralized management. As advanced in the PPS Market District Study, the essential concept of the Boston Market District is to expand on and improve the existing Haymarket pushcart vendors.<sup>197</sup> The combination of the existing pushcart vendors with new indoor food outlets on Parcels 7 and 9 along with additional outdoor sales is intended to create a synergistic market district that would both support existing vendors and provide new opportunities. The pushcart vendors would continue to operate along Blackstone, North, and Hanover Streets. The ground floor of an eventual Parcel 9 development is conceived of as an extension of existing Blackstone Block food stores: a market for basic, no-frills produce and meats. Parcel 7 would house a market hall that would help anchor the district and "highlight and promote the diversity and talent in Boston's food and farming communities."<sup>198</sup>

According to the BRA's Garver, key priorities for the Market District include preserving the tradition, culture, and low prices of Haymarket.<sup>199</sup> Indoor market facilities could help the District appeal to new market segments with the addition of artisanal and local foods, prepared foods, and visitor amenities such as seating and restrooms currently lacking at Haymarket. New market facilities at Parcels 7 and 9 could also provide needed storage and waste management facilities to support the pushcart vendors, which would upgrade the appearance and cleanliness of the existing marketplace. Additionally, the establishment of an umbrella Market District organization could help to relieve the City of its current role in supporting Haymarket through sanitation and trash removal.

BPMA participation in a broader market organization would have benefits and drawbacks. Adapting their market proposal to fit within the context of City efforts may help secure more meaningful public support from City agencies. An umbrella market organization could help to raise the BPMA market's public profile and provide marketing

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<sup>197</sup> Boston Market District Feasibility Study / [prepared by Project for Public Spaces, Inc., New York, NY]. Boston, MA: Boston Redevelopment Authority, 2009. p. 13.

<sup>198</sup> *Ibid.* p. 28.

<sup>199</sup> Garver, Dick, Deputy Director, Boston Redevelopment Authority. Personal Interview. December 12, 2008.

and promotion. However, being a part of a larger market could obscure the BPMA identity, and may even impede their mission of supporting local agriculture by obscuring differences between BPMA and Haymarket offerings. Moreover, participation in the market district would enmesh BPMA as a newcomer in an existing political context that includes the City, the Haymarket Pushcart Vendors Association, Quincy Market, and the North End. Nonetheless, the Boston Market District concept offers the chance of a broader effort to create a unique retail market that may improve BPMA's chances of success.

### *Hope for State Funding: The 2008 Environmental Bond Bill*

In addition to the disposition of Parcel 7 and City interest in creating a broader Boston Market District, there is also now reason for BPMA to hope for substantial financial support from state government. However, the organization faces an uphill battle to realize it. In August of 2008, Governor Patrick signed a \$1.7 billion bond bill that authorized Commonwealth funding for environmental programs for the next five years. Thanks to advocacy by former Agriculture Commissioner Doug Gillespie and several state lawmakers, the bill included authorization for funding to support public market development. The bill, Chapter 312 of the Acts of 2008, included the following among funding provisions for the Department of Agricultural Resources: "...provided further, that not less than \$10,000,000 shall be expended to establish a program to facilitate the creation of a general public market in Boston to provide local agricultural, seafood and aquaculture, dairy and specialty foods produced in the commonwealth".<sup>200</sup>

However, this legislative authorization is no guarantee of actual funding. In order to realize this support, specific plans for this spending need to be included in the Commonwealth's annual budget. State monies to support market development are not currently included in the budget for Fiscal 2009, although planning for the next budget cycle will begin in fall of 2009.<sup>201</sup> Additionally, the current economic downturn has put serious strain on the Commonwealth's financial resources, exacerbated by

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<sup>200</sup> Commonwealth of Massachusetts Session Laws of 2008:  
<http://www.mass.gov/legis/laws/seslaw08/sl080312.htm>. Accessed March 6, 2009.

<sup>201</sup> Commonwealth of Massachusetts Budget website:  
[http://www.mass.gov/bb/h1/fy2009h1/brec2\\_09/act09/h25110100.htm](http://www.mass.gov/bb/h1/fy2009h1/brec2_09/act09/h25110100.htm). Accessed March 6, 2009.

Massachusetts' balanced budget requirements. The challenge for BPMA is to effectively convince the Governor that the benefits of a Boston Public Market, both to city residents and to Massachusetts farmers and food producers, outweigh the cost.

## **Conclusion**

The idea of a new public market in Boston was born out of the Department of Food and Agriculture as a way to support local agriculture and food production, and that remains the market organization's primary mission. This chapter began by reprinting BPMA's vision statement from their 2003 market proposal, which articulates some of the organization's other key priorities, the "public purposes" that distinguish a public market from an ordinary retail project. These purposes include: providing local, healthy, affordable food to Boston residents; facilitating rural-urban exchange and food education; and creating opportunities for farmers, vendors, and food artisans. While farmers' markets enjoy enthusiastic support in many Boston area communities, they are seasonal and operated at a neighborhood scale. A permanent, year-round market hall offers the potential of a central showcase for Massachusetts and New England foodstuffs as well as a venue for food education, entrepreneurship, and cultural exchange.

Ten years after the first development study was completed, a new public market was not yet a reality. The organization's experience over this span of time illustrates the difficulty of developing not only the real estate component of a public market, but the organizational backbone and broad supporting constituency required to support its mission as a public facility. Persistence on the part of market proponents, and continued expressions of support from both the public and private sectors, indicate that a new public market is a worthwhile endeavor, although BPMA has not yet been successful in securing a market site or in attracting the necessary financial resources to pursue the market's construction. Funding shortfalls and organizational coherence and continuity are major issues for all non-profit start-ups, and BPMA is no exception. However, while the BPMA has faced a number of reversals, including the loss of a major funding source and their only full time staff person, as well attrition from the Board

of Directors, continued interest in the project from both familiar faces and new ones have kept the organization and the notion of the market alive.

Both of the market development studies conducted for Boston concluded that a new public market was a feasible undertaking, with gross sales projected between \$16 and \$27 million. The BPMA has largely followed the strategies recommended in the two reports, growing from an ad hoc group into a legally incorporated entity with a diverse and talented board of directors. The organization has participated in special events, hosted fundraisers, and operated seasonal pilot markets. Yet, as of the beginning of 2009, BPMA had been unable to secure a site. The organization's limited financial resources continued to restrict the selection of possible locations to publicly owned land or other low- or no-cost options. At the same time, construction costs continued to rise, and the price tag for building a new public market has only grown over the years. While real estate development in Boston is undoubtedly difficult, the goal of independently constructing a dedicated public market facility from the ground up as a stand-alone project may be too ambitious for BPMA to accomplish in the near term. This does not necessarily signify that a market can't be built, but BPMA may not be able to do it alone.

Positioning their proposed market hall within a broader effort may be the shortest path to success for the BPMA. Significantly, two of the most successful public markets that either emerged or were significantly renovated in the late 20<sup>th</sup> century, Seattle's Pike Place and Vancouver's Granville Island, were part of larger revitalization efforts with public resources behind them. San Francisco's Ferry Building combined a weekly outdoor farmers' market with high-end food vendors, restaurants, and office space in an historic building renovated by commercial developer Equity Office. On the other hand, while Portland, Maine was successful in independently developing an award-winning market building in the late 1990s, that market had failed by 2006. Based on BPMA's organizational capacity and the experience of other public markets, accepting a role as a partner in a wider development initiative seems likely to serve the organization better than attempting to go it alone.

The two feasibility studies conducted for a new public market hall examined a range of sites, including downtown/Central Artery, the Seaport, and Roxbury. The idea of a downtown location recurred throughout the history of the Boston Public Market

concept, and would give the market a central, visible, and accessible location. In the pursuit of Central Artery Parcel 18, BPMA lost the public designation process to a project with a splashier design by a world-renowned architect. However, BPMA's focus on sites along the Rose Kennedy Greenway makes sense in that a Greenway location would position the market among a network of open spaces and other civic amenities while also permitting site acquisition at a relatively low cost under a ground lease. A drawback to a location on the Greenway is that it places the Boston Public Market in competition with other proposed Greenway amenities (and the Greenway Conservancy itself) for scarce public and private resources. However, among the civic amenities proposed for the Greenway, the Boston Public Market is relatively less expensive and easier to develop. The winter gardens and greenhouses proposed by the Massachusetts Horticultural Society are never to be realized, and the Society lost their designation to develop Parcels 19, 21, and 22. The New Center for Arts and Culture has postponed construction, and the Boston Museum has revised their original design and is still working toward raising funds.

Current developments in the Turnpike Authority's disposition of Parcel 7, BRA plans for an expanded Market District, and the hope of possible state funding argue that a Boston Public Market on the ground floor of Parcel 7 may be the best option to move toward a new public market in Boston. Especially because the building shell is already in place, developing a market in the ground floor space would be much less expensive than a ground-up development. However, compared with an independently developed new market hall, locating the market at Parcel 7 would likely involve compromises in the market's scale, independence, program, and operations. The development studies for a Boston Public Market presented a range of programmatic options for the market, including restaurants, wholesale operations, and both indoor and outdoor vending. The development program for a Parcel 7 market needs to be evaluated in the context of BPMA's public mission to support local farming and food production, food education, and entrepreneurship. Moreover, some consideration should also be given to alternative sites and strategies toward market development in the event that developing the market at Parcel 7 is ultimately not possible. In short, the opportunity for BPMA at Parcel 7 is quite promising, but demands careful scrutiny.

## **04: Evaluating a New Opportunity for a Boston Public Market**

After ten years of effort trying to develop a new public market hall in central Boston, the Boston Public Market Association had not yet been able to identify and secure a site for its new market hall. Without defining a specific location, project planning simply could not progress beyond the initial visioning stage. The group did experience some success with organizational development: a formally organized group emerged from the Department of Food and Agriculture to become the Boston Public Market Association, and was successful in attracting start-up funding and in opening a series of seasonal markets. However, the organization lost its funding and its staff at the end of 2007, and suspended its seasonal market for the summer of 2008. BPMA has not wilted in the face of adversity, and recent events have set the stage for a resurgence of efforts to develop a permanent indoor public market in Boston.

The completion of the Central Artery/Big Dig project has triggered the disposition of several project-related land parcels under Turnpike Authority control, including the mixed-use parking structure at Central Artery Parcel 7. Parcel 7 is adjacent to Haymarket, and lies within the Boston Market District proposed by the Boston Redevelopment Authority. The BRA is also instrumental in the disposition of Parcel 7, conducting the public planning process for the site's redevelopment and issuing design and use guidelines for the property, which establish a preference for public market use on Parcel 7's ground floor. Where the Central Artery stood, there is now a string of parks comprising the Rose Kennedy Greenway. The Greenway is Boston's most significant new public amenity in decades, and would benefit from the construction of year-round civic amenities that will help to activate the parks year-round. Taken together, these recent developments point to a significant opportunity at Parcel 7 for BPMA to move forward toward opening a public market. This chapter analyzes the advantages and disadvantages of pursuing Parcel 7 as a permanent public market site, including discussion of the site's context within the proposed Boston Market District and as Haymarket's neighbor.

Opening a market on the ground floor of Parcel 7 as a tenant under the developer selected by the Turnpike Authority would provide BPMA with the opportunity

to reach its goals without facing the capital and organizational hurdles that come with an independent real estate development endeavor. The site's proximity to Haymarket, within a proposed City-sponsored Market District, would provide a ready source of customers and the potential to share the tasks of promotion, maintenance, and public programming with partner organizations. While pursuing the strategy of market development as a tenant at Parcel 7 would likely lead to BPMA opening for business years before it otherwise could, it also imposes limitations and compromises on almost every aspect of the proposed Boston Public Market. These costs, benefits, and tradeoffs must be evaluated against known alternatives in order to ensure the market's success as a business and as a public benefit.

The first issues to be addressed are the advantages and disadvantages of the Parcel 7 site and its existing building, as well as the broader context of the BRA's proposed market district including Haymarket. Site characteristics, including accessibility, visibility, size, and loading capacity are all important to the success of a public market use. The existing structure must be evaluated as to its suitability, including the extent and nature of the market program it could support. Moreover, the context of Haymarket and the BRA's proposed Boston Market District is a crucial area of analysis necessary to evaluation of this site. There are positive and negative aspects to this location for BPMA, and the broader market district context would also impose associated costs and benefits. In particular, a BPMA market at Parcel 7 would be located immediately adjacent to the current Haymarket pushcart vendors, and consideration of how BPMA's market hall and Haymarket would co-exist and interact is essential.

Along with identifying the physical and operational opportunities and limitations of a potential Parcel 7 location, some consideration must be given to how the market could be programmed to be successful both in its public mission and as a business operation. The feasibility studies conducted for BPMA offered a variety of programming schemes including indoor and outdoor retail stalls, wholesale operations, restaurant, and other retail uses. Which of these components make sense at Parcel 7, and do they support the market's mission? Given that BPMA's primary mission is to support local farming and food production, how well does the potential program and merchandise mix match

up with the local food community? Massachusetts agriculture is seasonally limited. Can a year-round public market be successful supplied exclusively with local products?

While the scenario of a new market at Parcel 7 is highly attractive and likely much more easily realized than ground-up construction of a new facility, it is also by no means a sure thing. The timing of the Turnpike's selection of a master tenant will dictate the pace at which development will move. Such public land disposition processes sometimes take years to resolve. Alternatively, BPMA may need to move quickly to secure the required resources and forge the agreements necessary to carry a Parcel 7 market forward if a developer is selected in the near future. Any number of factors, from financing to the City's commitment to a renewed Market District, could disrupt the current alignment of interests that would support the market at this location. However, some of the factors that make Parcel 7 attractive as a potential site for public market development can be established as criteria to evaluate any site suitable for the successful development of a Boston Public Market. In recognition that the market may not find a home at Parcel 7, some alternative strategies can be offered to realize the vision of a Boston Public Market, as well as broader priorities for the BPMA organization moving forward.

### **Site and Facility Analysis of Parcel 7 for Market Use**

Central Artery Parcel 7 occupies an entire small block, located between Blackstone and Congress Streets and between Hanover and New Sudbury Streets. The site fronts onto the Rose Kennedy Greenway, and enjoys easy access to Interstate 93. The existing structure on the site houses an entrance for the MBTA's Haymarket Station, which is served by the Green Line and Orange Line subways. This location is adjacent to the Blackstone Block Historic District and to the Boston Holocaust Memorial. Both City Hall and the Quincy Market/Faneuil Hall complex are nearby. North Station and the TD BankNorth Garden are located only several blocks away. The Freedom Trail, a popular tourist walking route, passes the corner of Hanover and Blackstone Streets at the northeast corner of the site. The historic North End neighborhood is situated across the Greenway. A number of parcels in the immediate vicinity are slated for redevelopment, including the area known as the Bullfinch Triangle. Additionally, a

recent development proposal submitted to the Boston Redevelopment Authority by Raymond Properties seeks to demolish the large parking structure opposite the site on Hanover Street, and to replace it with a large, mixed-use development of several buildings, including two large office towers, one of which would be roughly the same size as the Prudential Tower in Boston's Back Bay.

**Figure 4-1: Parcel 7 Locus Map**



Source: City of Boston / Boston Redevelopment Authority

The Parcel 7 site fits many of the criteria outlined by Project for Public Spaces, both from the market development handbook and from David O'Neil's 10x10 matrix. The Greenway location is visible and memorable. It is easily accessible by both car and public transit, with ample parking available in the garage onsite. An existing parking

validation program for Haymarket shoppers could easily be extended to accommodate public market visitors as well. The presence of North Station several blocks away puts several commuter rail lines within reach, and MBTA plans to extend the Green Line trolley will improve transit access from nearby Somerville and East Cambridge. Parcel 7 is within walking distance of both daytime office workers and residential neighborhoods in the North End and Harborfront areas as well, providing potential for day-round visitation during the week. The Freedom Trail brings a steady stream of tourists and visitors, especially during the summer months. According to the PPS Market District report, Haymarket already draws roughly 15,000 visitors on weekends.<sup>202</sup> The building on Parcel 7 is appropriately scaled to its context, although redevelopment plans for the Government Center garage may radically alter the surrounding environment. The nearby Blackstone Block houses food shops, pubs, and restaurants, and expands the range of available activities for market visitors.

There are drawbacks to the site, as well. The Blackstone Block can attract large and rowdy bar crowds in the evening. As noted, nearby Quincy Market and the Freedom Trail draw huge volumes of tourists, which can be good, but can also have adverse impacts on the market without careful oversight. Souvenir vendors and other tourist-oriented businesses detract from the mission of supplying quality, local foodstuffs to Boston area residents. According to PPS, the heavy tourist traffic at Pike Place in Seattle drives many locals away.<sup>203</sup> And while Haymarket provides an historic market context, lively vendors, and large weekend crowds, it also poses problems for a BPMA market at Parcel 7. The advantages and disadvantages of locating adjacent to Haymarket are discussed below in the context of the BRA's proposed Market District. Another potential issue with the site relates to language in the Land Disposition Agreement between the City and the Commonwealth, which imposes leasing preferences for "persons and entities displaced and potentially adversely affected by the

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<sup>202</sup> Boston Market District Feasibility Study / [prepared by Project for Public Spaces, Inc., New York, NY]. Boston, MA: Boston Redevelopment Authority, 2009. p. 25.

<sup>203</sup> *Ibid.* p. 65.

Project [Big Dig].”<sup>204</sup> Even if BPMA and the Parcel 7 developer are able to come to terms on a leasing arrangement, the claims of other parties could take priority.

### Figure 4-2: Parcel 7 Site Photographs



Parcel 7 viewed from Rose Kennedy Greenway



View West to Parcel 7 from Congress Street



View East from Parcel 7 toward Financial District



Hanover Street with Parcel 7 on Left

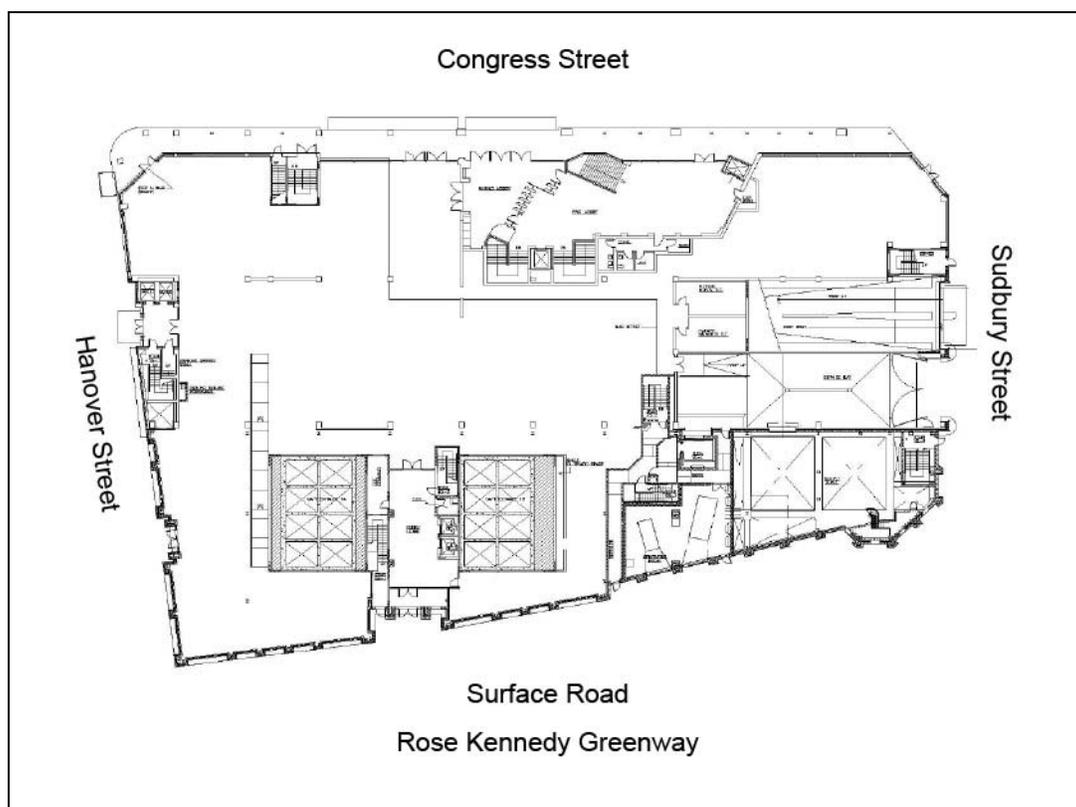
Source: Massachusetts Turnpike Authority, Parcel 7 Request for Proposals

As for the building itself, the structure that occupies Parcel 7 was developed to replace parking spaces under the elevated highway lost in the Big Dig, and to mitigate the visual impact of large ventilation equipment that supplies the highway tunnels with fresh air. The structure was also intended to serve as new offices for the Turnpike Authority, but these plans have been abandoned. The building was designed by local

<sup>204</sup> “Land Disposition Agreement by and between the Boston Redevelopment Authority and the Commonwealth of Massachusetts. December 22, 1988.” Page 13. Included as Appendix A to Parcel 7 RFP. Available from Massachusetts Turnpike Authority website: [http://www.masspike.com/pdf/real\\_estate/p7rfp\\_addendum1.pdf](http://www.masspike.com/pdf/real_estate/p7rfp_addendum1.pdf). Accessed March 1, 2009.

architects Arrowstreet to echo the texture of the adjacent Blackstone block, and is clad in brick and granite masonry, glass, and metal. While the building itself stands out in its context, it is not immediately recognizable as a market in any way. Signage or other markings will be crucial to establishing the market's presence in the area. The structure is built around three ventilation towers and comprises roughly 192,000 square feet of floor area: 26,000 square feet of ground floor retail, 46,000 square feet of office space, and 120,000 square feet of public parking garage. The 310-space parking garage is already operational, and the other anticipated uses of the building are conditioned by the Land Disposition Agreement between the City of Boston and the Commonwealth that conveyed the property to the Turnpike Authority prior to the Big Dig. The building is “cold shell” space, without ventilation or other mechanical systems, although elevators are in place servicing the garage and the future office space in the building's upper stories.

**Figure 4-3: Parcel 7 Ground Floor Plan**



Source: Massachusetts Turnpike Authority, Parcel 7 Request for Proposals

The ground floor retail space, which would be occupied by the public market, features eight pedestrian entrances: two on Hanover street, one from Blackstone Street, one at the corner of New Sudbury and Congress Streets, three on Congress Street, and another at the corner of Hanover and Congress Streets. One of the Hanover Street entrances is shared with the garage; one of the Congress Street entrances opens onto the lobby of the Haymarket MBTA stop, with secondary doors leading to the ground floor space. Within the building, the floor-to-floor height on the ground floor is approximately 17 feet. While the ground floor of the building features generous fenestration, a recessed arcade along Congress Street and sunshade canopies on the building's other sides shade the interior. As can be seen in the ground floor plan above, the ventilation exhaust equipment, lobbies, and service areas take up quite a bit of space. A large part of the floor plate at the northeast corner (Blackstone and Sudbury Streets) is occupied by the ventilation intake equipment and garage ramp, as well as by a single loading bay that services the entire building.

On the basis of the quality of the space, the Parcel 7 building seems to be reasonably suitable for public market use. The presence of multiple entrances and exits is consonant with PPS's recommendations for pedestrian flow. While greater floor-to-floor height would be desirable for greater daylight penetration, 17 feet is still fairly generous and would avoid a cramped feeling. Because the building is an existing structure, there may be complications in installing the kinds of mechanical systems required for restaurant, bakery, and other on-site food production uses. Moreover, given the space constraints, the market likely faces a trade-off between the attraction of on-site production (baked goods, prepared foods, coffee roasting, etc.) and the ability to offer a greater range of products. The PPS literature on public markets extols the sensory experience created by onsite production, rhapsodizing about the smell of baking bread and roasting coffee. However, devoting too much space to production may tilt the market toward being a demonstration facility rather than maintaining a primary focus on selling foods.

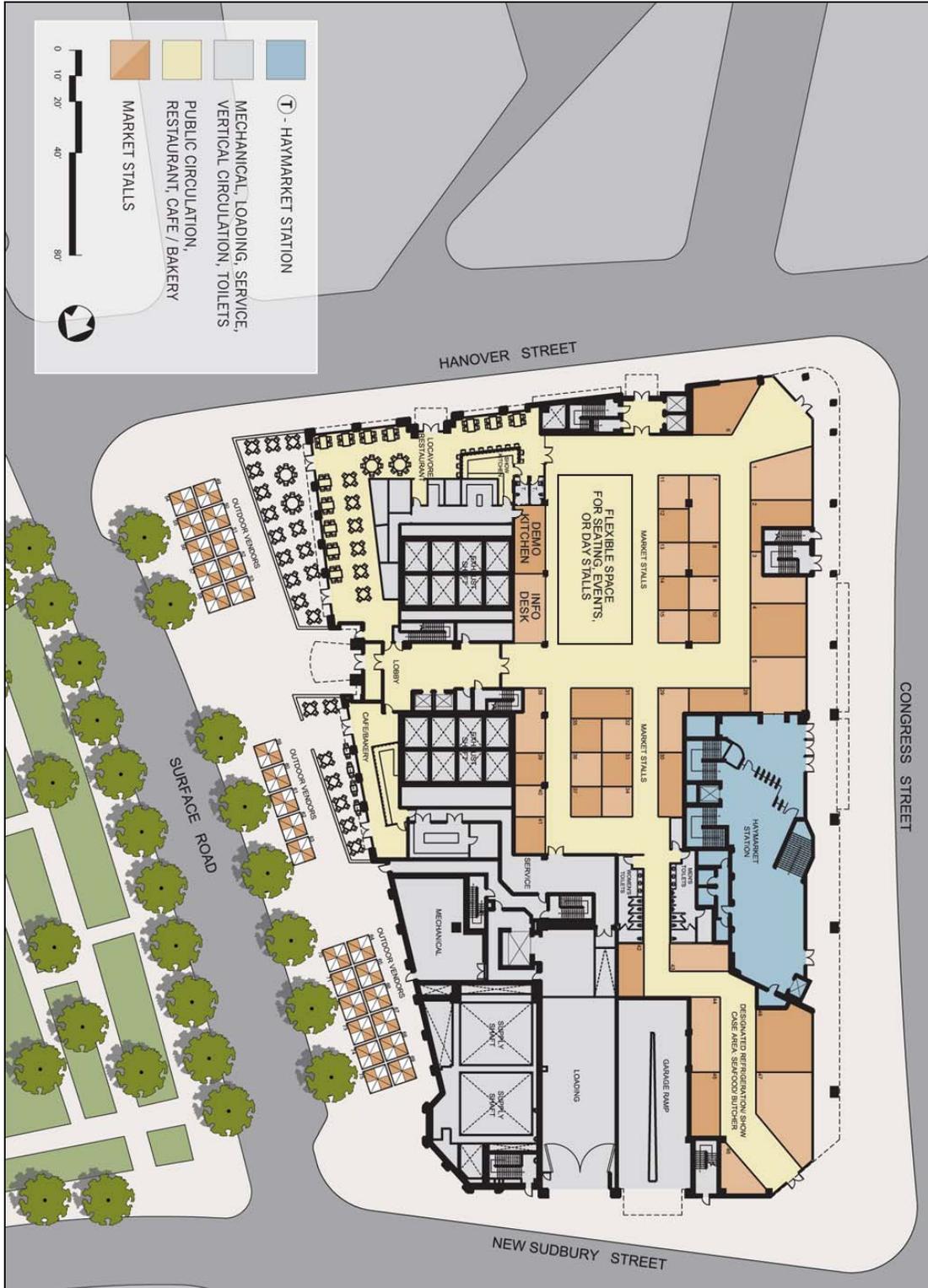
The 26,000 square foot retail space at Parcel 7 is only a little more than half the gross floor area of the markets recommended in the two development studies. It is worth recalling that the original PPS-PMC study dismissed Parcel 7 as too small for

market development. Accordingly, the market program would need to be reduced from the scenarios described in the reports. The size of the building limits the amount of onsite storage space. There is no below-grade space available, and 2<sup>nd</sup> floor space is expected to garner competitive office rents higher than those anticipated from the ground floor space. The loading dock would be a significant asset for the market, but with a single truck bay, deliveries would have to be carefully scheduled. The sixty foot-wide sidewalk plaza along Blackstone Street could provide ample outdoor vending space, with the additional potential of the recessed arcade along Congress Street. Outdoor vending would allow for seasonal expansion along with the greater bounty of local agriculture in the warmer months. Outdoor vendors would also help to draw attention to market use on the site.

Space planning for market use at Parcel 7 is somewhat challenging due to the configuration of the space around the ventilation equipment, elevator core, and loading facilities. **Figure 4-4** shows a potential market layout, based largely on a plan developed by Chelsea-based firm The Architectural Team (TAT) for Winn Development's proposal to use the upper floors of Parcel 7 as their corporate headquarters. The TAT plan has been modified to include a 350 square foot demonstration kitchen, a 350 square foot office/information desk for market management, and a 2,000 square foot flexible multiuse space that could accommodate either seating or day stalls for additional vendors. This plan includes approximately 8,000 square feet of permanent vendor space in 29 stalls ranging from 100 to 400 square feet each. The side of the building facing the Greenway has a particularly awkward configuration. For this reason, the corner of the building at Hanover and Blackstone streets is given over to an L-shaped restaurant space of approximately 3,500 square feet and the space to the right of the main entrance is reserved for a small café of approximately 900 square feet.

The total programmed interior space is approximately 15,000 square feet, or 57% of the total available space. The remainder of the space is given over to circulation and servicing needs. This balance is roughly in line with PPS's guideline of 50% space efficiency. The outdoor plaza includes both small outdoor seating areas and roughly 2,700 square feet of outdoor vendor space configured as 27 stalls of 100 square feet

Figure 4-4: Potential Market Layout Plan



Source: The Architectural Team, with revisions by the author

each. The total amount of vendor space therefore ranges from 8,000 square feet with the permanent indoor stalls only, to nearly 13,000 square feet with outdoor stalls and day stalls in the flexible interior space. While this market would be smaller than those anticipated by previous studies, it should be adequate to offer a full selection of fresh foods, including produce, meats, seafoods, and specialty products.

### **Evaluation of the Proposed Market District Context**

At present, it is unclear what will become of the BRA's proposed Market District concept, but in any case a Parcel 7 location places a BPMA market in the midst of Haymarket, and the PPS study for the creation of a Boston Market District is very much oriented toward the existing Haymarket pushcart vendors. Whether the Boston Market District emerges as an entity or not, Haymarket will forever be the neighbors of Parcel 7. As discussed earlier, the Haymarket pushcarts have a long history in the area, and their operations are protected by state law and city ordinance. Vendors at Haymarket are licensed by the Boston Department of Public Works, and are organized under the Haymarket Pushcart Vendors Association.

Along with the meat and seafood shops along Blackstone Street between North and Hanover Streets, the pushcarts are the last vestiges of the area's role as Boston's central fresh food market. Today the pushcart vendors continue to play a vital role in Boston's food system by offering fresh produce and other foods at a low price point. Haymarket's low prices not only support the food security of low-income city residents, but also attract a broad range of people in search of a bargain and those who enjoy the bustling atmosphere of the market. A Boston Public Market focused on local products could be a valuable addition to the area, providing a different range of products and helping to attract a broader clientele. Association with Boston's historic food marketplace could be another benefit to BPMA, and may help attract public support for a revitalization of food market activity in the area. However, there are positive and negative aspects to the Haymarket context that require careful consideration.

Locating adjacent to the Haymarket pushcarts would provide benefits for both a BPMA local foods market and for the pushcart vendors – not to mention much greater benefit for the shopping public – by diversifying the selection of products and

broadening the range of price points available in the area. Part of creating a truly public market is to serve a broad range of income groups and offer a wide range of products. While the Haymarket vendors already offer a broad range of foodstuffs, for the most part they sell surplus foods from the commercial wholesale markets in Chelsea at a deep discount. A BPMA market hall offering locally produced and artisanal products would introduce a wider selection of goods and could appeal to different demographics than the existing Haymarket merchandise mix. While these two markets would be independent of each other, and complementary rather than competitive, a certain amount of customer crossover is almost sure to take place. For example, a BPMA market is unlikely to offer non-regional products such as bananas, citrus, or other warm climate produce. Especially with a smaller BPMA market than originally envisioned, the pushcart vendors could help to fill in the gaps in the BPMA market's merchandise mix in order to offer shoppers a complete range of foodstuffs. Conversely, some Haymarket shoppers may choose to purchase some products at the Public Market, especially foods that don't lend themselves well to outdoor vending such as meats and seafood.

On the other hand, as described in Chapter 1, there have historically been tensions and competition between food producers and resellers within public markets. Although BPMA's market hall and the established pushcart market would be separate enterprises, they could be conflated in public perception, which may place the two markets on a more competitive footing. Haymarket has a long established history and following, and is known for offering low prices on discounted food drawn from the regular commercial food system. BPMA's market would be offering different goods at a different price point and standard of quality. If consumers are unable to clearly distinguish between the discount wares at Haymarket and the higher priced and higher quality BPMA merchandise, then it is likely that BPMA's vendors would suffer. Because BPMA's market would be a start-up without an established public image, great care must be taken to create, promote, and protect the distinct identity of a BPMA market. In order to establish and protect BPMA's identity, the market should be clearly branded through signage and promotion materials. Outdoor BPMA vendors such as farmers and others should be sheltered under distinctive and uniform tents or stalls that clearly

distinguish them from the Haymarket stands, similar to the facilities at BPMA's pilot markets.

Beyond visual cues like signage and uniform tents, the distinction required between the two markets would probably be best effected by total spatial separation. That is to say, BPMA and its vendors would be restricted to Parcel 7, but would have exclusive use on that site. Since BPMA would be paying rent at Parcel 7 as the market's master tenant, its lease with the site's developer should protect this exclusive use. However, there may be conflicting claims for the rights to use this outdoor space. Haymarket's legal protection under both state law and city ordinance gives them some claim to the public realm throughout the area, and they could easily argue that this claim extends to Parcel 7's outdoor space. While Chapter 17-3 of the City of Boston Code sets the boundary of Haymarket at Hanover Street, a state law enacted in 1952 sets the boundary at long-demolished Haymarket Square roughly at the present day intersection of Blackstone and New Sudbury Streets.<sup>205</sup> The proposed BPMA market would be open all or most of the week. Haymarket is restricted to being a weekend only event because their supply chain is tied to the weekly cycle of deliveries and surplus at the city's wholesale warehouses. Additionally, the legal provisions protecting the pushcart vendors specify Friday and Saturday as their days of operation. While it might therefore be possible for the two groups to share the plaza at Parcel 7, the identity issues discussed above (or the loss of weekend outdoor vending sales if the pushcarts get weekend rights to the plaza) would have a significant negative impact on BPMA.

Additionally, the eventual development of Parcel 9 will put greater pressure on outdoor vending space in the area. Some Haymarket vendors currently store their stands on the currently vacant Parcel 9. When the Turnpike turns over that site for development, it will displace not only Haymarket's storage, but also a good number of vendors. Replacement space during the construction of Parcel 9 will be an issue that the broader Market District would need to address. The legal rights of the Haymarket pushcarts should obviously be respected. After years of being eaten away by the Central Artery, urban renewal, and the Big Dig, preservation of the pushcart market requires that there be no further encroachment on its sphere of operations, and the

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<sup>205</sup> City of Boston Code, 17-3; General Court of Massachusetts Acts of 1952, Chapter 504.

vendors impacted by Parcel 9 construction will definitely need space to relocate. However, exclusive use of the Parcel 7 plaza and sidewalks should be a major priority for BPMA should it pursue a market at that location, in order to ensure the distinction between their wares and Haymarket's and to preserve their autonomy in managing their own site.

As described in the previous chapter, the Boston Market District concept is proposed to improve and expand on the long-running existing Haymarket pushcart market that takes place every weekend. The Boston Market District as described in the recent PPS Market District study would be overseen by an umbrella organization, likely a private non-profit, to be funded by its constituent organizations.<sup>206</sup> The City would retain representation in the organization, along with the Haymarket Pushcart Vendors Association, the Blackstone Block merchants, nearby North End food purveyors, and the operators of Parcels 7 and 9. It is unclear if the Market District would receive City financial support or what the extent of this potential support would be. According to the PPS Market District report, this broader organization would be tasked with “clean up of the district’s streets and sidewalks, disposal of waste materials in an environmentally advantageous fashion, the coordination of each vending operation’s access to delivery areas and service facilities, oversight of the merchandising mix in the district as a whole, promotions, outreach, educational programs, fundraising, capital improvements, and community relations.”<sup>207</sup> Based on the above description of the Market District organization’s responsibilities, many of the tasks identified involve addressing some of Haymarket’s shortcomings, primarily storage and sanitation issues.

Refuse disposal at Haymarket is currently somewhat haphazard, and many view the piles of waste that collect by the end of the market day as an unpleasant nuisance. Better waste disposal practices and facilities are sorely needed. The City’s Department of Public Works and the Haymarket PVA currently share waste management responsibilities. Licensed pushcart vendors make an annual payment to the City in addition to their license fees in order to help shoulder the cost of market cleanup, with the City covering the remaining costs. The labor is shared as well: according to Gus

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<sup>206</sup> Boston Market District Feasibility Study / [prepared by Project for Public Spaces, Inc., New York, NY]. Boston, MA: Boston Redevelopment Authority, 2009. p. 19.

<sup>207</sup> *Ibid.*

Serra, a consultant to the Pushcart Vendors Association (also a member of a third generation family of Haymarket vendors and a former Representative in the Massachusetts Legislature), a DPW employee drives a truck to the market and pushcart vendors load the truck.<sup>208</sup> Improved waste management would likely involve on-site compacting dumpsters, waste separation (food, cardboard, other), and potential off-site composting of food waste. Any permanent waste management facilities and equipment will need to be located somewhere.

Given the limited amount of space available at Parcel 7, it is difficult to imagine that either storage or waste facilities could be provided for Haymarket use in addition to servicing the market hall itself. Moreover, the service and waste management needs of a BPMA public market at Parcel 7 could likely be addressed on site through agreements between the BPMA and the Parcel 7 landlord without the need for shared provisions with the broader Market District. Given that facilities on its own site are likely to be sufficient for its own loading and waste disposal needs, a fledgling BPMA market should not be expected to subsidize services or facilities for other organizations.

The PPS Market District report envisions the Market District organization being funded by its members, but makes no suggestions as to how funding responsibilities should be allocated. Funding for the proposed market district overall is a major issue that will need to be resolved, but the expense of specific services is an issue that should be given close attention. From the BPMA point of view, funding should be collected in proportion to Market District services used. For its part, BPMA must be careful that the benefits of participation in the Market District do not outweigh the costs. However, the aesthetic improvements of improved sanitation and storage at the current Haymarket operations would be of benefit to BPMA, and would help to make the overall District more attractive.

As for the umbrella organization's other proposed responsibilities, there would be particular value in the provision of a district-wide governance structure. A major benefit of participation in the broader market organization for BPMA would be having a formally organized forum for managing relations with both the City and with the Haymarket Pushcart Vendors Association. If BPMA does pursue the development of a market hall

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<sup>208</sup> Serra, Gus, Haymarket Pushcart Vendors Association. Personal Interview. December 12, 2008.

in the Parcel 7 space, it should be integrally and actively involved in the formation of any wider organization in order to protect its interests and independence. Because the Market District concept is largely oriented toward the existing pushcarts, and the Haymarket Pushcart Vendors Association is a long-established and politically savvy organization, it will therefore be essential that the Market District governance structure protect the interests of all its constituent parts without granting any one group undue power over the others.

Nonetheless, as the focal point of the proposed Market District, the pushcart vendors should—and will—have an important and powerful voice in the shape of the District’s management. The Haymarket Pushcart Vendors Association (PVA) is open to changes at Haymarket, but is adamant about preserving the history, culture, and low prices of the market as it currently exists.<sup>209</sup> Two of the key drivers of Haymarket’s affordability are a low vendor cost structure and slender margins of profit. Historically, operating costs for pushcart vendors entail only labor, a license, a scale stamp, remission to the City for cleanup costs, and dues to the PVA.

This low cost burden is key to maintaining Haymarket’s low prices and its unique ability to serve customers from all income groups. As Gus Serra describes the pushcart market: “Any city can create a market...You can go to stores around the country and pay \$1.50 [per pound]. One of the unique things about this market is that it feeds immigrants and families that go there for a reason. They go there because they can get four pounds of tomatoes for \$1. You see all different nationalities there because it’s how they can afford to feed their families.”<sup>210</sup> According to Serra, the PVA’s main priority is preserving the market, although it is open to improvements in the market’s appearance and operations as long as the changes don’t impose much higher costs on the vendors. Considering PVA’s resistance to cost increases for vendors and the likely expenses of improved sanitation services throughout the Market District, funding and cost sharing will be a sensitive issue.

Some of the other duties envisioned for the Market District organization include promotions and marketing. Given the issues discussed above with regard to nurturing

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<sup>209</sup> Serra, Gus, Haymarket Pushcart Vendors Association. Personal Interview. December 12, 2008.

<sup>210</sup> Serra, Gus, Haymarket Pushcart Vendors Association. Personal Interview. December 12, 2008.

their own identify, the extent to which shared marketing would benefit BPMA is unclear. BPMA will likely want to conduct their own marketing and promotions as part of the branding effort required to distinguish their operations from Haymarket. However, carefully tailored, joint marketing could help reach a broader audience. Sharing in the cost and labor of planning promotional events could be a relief to the BPMA organization, and larger shared events may help to bring shoppers to the BPMA market that might not otherwise visit. However, it is unlikely that marketing and promotions by the umbrella organization would replace independent market efforts by BPMA, and BPMA should seek to avoid underwriting two marketing budgets.

Educational programming is an area in which BPMA and a broader Market District could create mutual benefit. Considering that education about food and agriculture is one part of BPMA's mission, it may be well suited to take a leadership role in developing educational programming for the Boston Market District. Cooking demonstrations, farm talks, beer and wine tastings, and other activities would be a great way to educate customers about the range of food products grown and produced in Massachusetts. Through participation in the broader market district, BPMA may find a wider audience for its educational programming, and may also be able to attract an increased range of chefs, farmers, and food producers to conduct classes and demonstrations.

Educational programming would enrich the scope of activities in the broader district, and may help it to qualify for funding support from public authorities. Some of this funding could help underwrite educational facilities in the Parcel 7 market hall. Educational programs will require a facility to host them, and a demonstration kitchen should be considered an programmatic element at a Parcel 7 market hall. A flexible multipurpose area should be planned to accommodate this kitchen, along with customer seating area that could double as an audience seating area for demonstrations and presentation as shown in the potential market layout plan above. During the summer months, it is possible that some educational programs could be hosted on the Parcel 7 plaza or in the North End parks along the Greenway. But during the colder months, an indoor venue would be required.

## **Market Programming and the Public Mission at Parcel 7**

With a limited amount of space available at Parcel 7, programming a public market hall becomes even more important for both the market's business success and its ability to fulfill its mission. While a larger market might be able to withstand a greater proportion of non-performing vendors, or the presence of vendors that only tangentially support the mission, a smaller market must make every square foot count. Relying on the vision statement that opened BPMA's 2003 public market proposal, the market's mission can be summarized by the following four target areas:

1. Provide an outlet for local, healthy, affordable foods.
2. Create a landmark public gathering space.
3. Cultivate programs for food education and urban/rural exchange.
4. Generate opportunities to farmers, vendors, and artisans.

Moreover, regardless of potential public support, the market will likely need to be operationally self-sufficient at some point. Creating a viable mix of merchandise that can attract sufficient business year round is therefore necessary, and programming the market to succeed in attracting customers is inseparable from mission-related concerns. The programming implications of each of the four mission areas, along with suggestions for how the market can be programmed for year round vitality, are discussed below.

A Greenway location adjacent to Haymarket has the potential to be a local landmark. The Greenway is a high profile public amenity and Parcel 7's proximity to other attractions including the Faneuil Hall complex, Haymarket, and the Freedom Trail place a potential market there in the thick of a high visitation area. Again, aggressively carving out an identity and vigorously promoting it will be essential to making a BPMA market a landmark. In terms of public gathering space, the limited space available in the Parcel 7 structure is an impediment. The interior space simply cannot accommodate large crowds. However, the broader market context including Haymarket, the Parcel 7 plaza, and the North End Greenway parks could welcome larger groups of people. The market hall on Parcel 7 could and should include a smaller gathering place. As discussed above, the market hall could accommodate a flexible

area that can serve as an arena for educational programs, expansion space for additional day stalls, or a place for market customers to rest and dine. If this indoor space were viewed as an important node within this wider area, then a Parcel 7 market hall, supplemented by the Parcel 7 plaza and adjacent Greenway spaces would indeed contribute to addressing the goal of creating a landmark public gathering space.

Planning the market's interior space may also be central to fulfilling the market's mission to serve as an educational venue. A certain amount of learning activity can be anticipated from day-to-day interactions between shoppers and vendors as consumers learn about new vegetables, different cuts of meat, artisanal cheeses, etc. through their purchases. However, formal educational programs would more explicitly establish the market as a meaningful forum for learning. Some programs could be held outside on the plaza or in the parks, but during Boston's long cold season, an indoor venue will be required such as the flexible multiuse area described above. The interior space at Parcel 7 has little room to spare, but through careful space planning, sufficient space can be configured to accommodate seating, short term vendor stalls, and educational programming. But more than space is required to sponsor educational events, and the work of planning and coordinating educational programs may ultimately rely on both BPMA and on a broader Market District organization. But since education is a plank in BPMA's mission, both the market's physical plan and organizational resources should include a focus on public education.

The other two target areas of BPMA's public mission are intertwined: the vendors and farmers who benefit from entrepreneurial opportunities at the market will in turn be the suppliers of the "locally grown, healthy, affordable food" that the BPMA proposal envisions. Because BPMA emerged from the Massachusetts Department of Food and Agriculture, it has always been primarily concerned with locally produced foods. Creating a year-round central marketplace for local foods sounds wonderful, but it is important to consider how the market could work for farmers and other producers, and how the producers could work for the market. In order to offer a sufficient range of merchandise throughout the year, it will be essential for the market to provide appropriate opportunities for a range of different food producers, ranging from small

farmers to regional cooperatives to specialty food vendors to established independent food businesses.

In terms of local food production, Massachusetts is not a powerhouse agricultural state like California or southern states like Florida or Georgia. A detailed discussion of Massachusetts farming is beyond the scope of this discussion, but some general observations about local agriculture are informative for market programming. The New England growing season is very limited, and local fruits and vegetables are generally only in season from May through November. Massachusetts does, however, have a high percentage of small farms and a very high level of direct sales activity compared to national averages.<sup>211</sup> These factors suggest that while New England produce may be a prominent presence at the market, the market program should anticipate a seasonal ebb and flow of local produce, and that local fruits and vegetables may be better suited for sales from day stalls and outdoor stands rather than a permanent market stall. Small farmers may be limited in the amount of product they can bring to market, and the amount of time or personnel they can devote to market sales.

While BPMA should plan to accommodate individual farmers and producers, there should also be a focus on creating opportunities for cooperative groups to pool products and resources for more developed long term stalls. Existing farm cooperatives like the Pioneer Valley Growers Association or the Southeastern Massachusetts Agricultural Partnership may be well suited to step into a role running a well-stocked stand that could be open all week. While fruits and vegetables are seasonally limited, meats, seafoods and dairy products are produced year round, and should be conceived of as “anchor” vendors with prominent, year round market stalls. Again, existing cooperative organizations such as Northeast Family Farms, a wholesale cooperative for meat, poultry, eggs and dairy products, may be well suited to sell at the market. While direct sales may be the best channel for directing resources to local producers, it is also important for the market to be consistently tenanted and merchandised. A leasing balance between direct producer sales and “professional” vendors will have to be struck

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<sup>211</sup> Massachusetts Department of Agricultural Resources: <http://www.mass.gov/agr/facts/index.htm>. Accessed February 27, 2009.

in order to maintain a robust merchandise mix capable of attracting consistent shopping traffic while still serving to create a venue for local farmers and producers.

As an additional merchandising concern, BPMA will have to decide what constitutes “local” food. Does “local” mean grown or produced in Massachusetts? New England? A determination must be also made whether the market will exclusively sell local goods or if food products from elsewhere will be tolerated. The Seareach-CMI development study underscored the importance of fruits and vegetables as a factor for attracting food shoppers. The BPMA organization emerged from the Massachusetts Department of Food and Agriculture, and was originally squarely aimed at accommodating and supporting Massachusetts farmers and food producers. However, creating a vibrant and attractive merchandise mix may require that the market sell products from outside Massachusetts or even beyond New England.

Especially with regard to produce, which is so seasonally limited throughout New England, BPMA should consider whether non-local products should be permitted (at least seasonally) in order to maintain a consistent merchandise mix. As locally produced food has become more popular in recent years, other outlets such as specialty food markets and the home delivery service Boston Organics have developed a “locally grown when we can get it” sourcing policy. Allowing at least one vendor to follow this policy would permit the market to include a full range of merchandise throughout the year. To some extent, the presence of Haymarket would help to fill the seasonal produce gap, but Haymarket only operates on Fridays and Saturdays and as noted, offers a different product type than the anticipated merchandise at a Boston Public Market.

While programming a Parcel 7 Public Market to address all four principal mission areas will require careful thought, such market could be capable of creating these four identified public benefits. The location of Parcel 7 within the context of Haymarket and the Greenway helps to improve the ability of a market at that site to function as a landmark public attraction. The other three primary mission areas place competing demands on the limited space available in the ground floor of the Parcel 7 building. The market leasing plan must be structured in order to accommodate a variety of different types of vendors in order to maintain an attractive mix of merchandise throughout the

year, including provision for both permanent and occasional vendors. BPMA will have to devote careful thought to a leasing plan that balances the market's mission to support local agriculture and food production with the creation of a vibrant and attractive merchandise mix that will support the market's economic success. Seasonal and other limitations on local food production may require that some allowance be made for non-local foods in order to maintain a full range of merchandise. In addition to market stalls for vendors, a flexible gathering space should be included in the plan to accommodate day stalls, seating, and educational programs or other functions.

### **Alternative Market Sites**

Parcel 7 is not the only place where a Boston Public Market could be located. Indeed, the site was rejected as too small in the 1998 PPS-PMC feasibility study. While the foregoing analysis indicates that Parcel 7 is a workable and attractive site for market development, it is essential to compare Parcel 7 with other known alternative sites.

**Figure 4-5** shows the location of a number of potential alternative sites, labeled by number in no particular order. Parcel 7 is included in this map (labeled #2). All of these locations are either publicly owned or subject to policy constraints such that the addition of a civic amenity such as a public market could be the key to securing required public approvals and unlocking the site's development potential. These six sites include both locations where BPMA could pursue independent development of a new market building, and others where BPMA would be a partner or tenant in a larger, mixed-use project. All of the sites are in or close to central Boston, and are either vacant or targeted for redevelopment in the near future.

There are several major private mixed-use developments in the planning stages that could conceivably accommodate a Boston Public Market as a program component, two of which have waterfront locations. In Massachusetts, M.G.L. Chapter 91, the Commonwealth's tidelands regulation statute, protects the public interest in and use of waterfront lands and requires special licensure for waterfront projects. For projects that are not dependent for their operations on active use of the waterfront, state regulation mandates that the developer must either provide or fund public facilities in order to qualify for a waterfront development license. The Boston Public Market would be an

ideal public facility in such a context, and its inclusion in the program for a large waterfront development would benefit both BPMA and the developer alike. Any of these projects could improve their chances in the public approvals process by including a public amenity like a Boston Public Market, whether under Chapter 91 or not. One site that is not on the waterfront is the previously mentioned Government Center garage where Raymond Properties is proposing a large mixed-use development in the Haymarket area (labeled #1 in **Figure 4-5**). The Chiofaro Company, developer of Boston's International Place, has acquired the Harbor Garage between the Greenway and the New England Aquarium and is planning a pair of high-rise towers for the site along with a lower level retail component (labeled #3). The current U.S. Post Office Fort Point Postal Annex facility on the Fort Point Channel side of South Station is targeted for redevelopment, as well (labeled #5).

Several sites along the Kennedy Greenway could yet be available for development, and would present potential alliances with the Greenway Conservancy and other organizations. The most significant Greenway parcel for BPMA is Parcel 22 at Dewey Square across from South Station, where BPMA will be resuming its seasonal market this summer (labeled #4). Parcel 22 presents an opportunity where BPMA could independently develop a brand new market facility of their own design. However, as the seasonal markets held there have made clear, loading and access at that location are a major problem even for a seasonal outdoor market. The loading and servicing needs of a year-round permanent market hall may be impossible to address given the constraints of the Parcel 22 location. Additionally, the sites originally intended to house Massachusetts Horticultural Society greenhouses have reverted to the Greenway Conservancy, and they may be available as future development sites.

The Seaport District remains an area of interest, although a specific development site has not been identified at present. The shaded area in **Figure 4-5** labeled #6 indicates the broader district. Massport has extensive land holdings in the area, and independent development of a stand-alone market hall could be possible in this area. As noted in the PPS-PMC study, a Seaport Market would be located in an area targeted for extensive future development, would be well located to showcase local seafoods, and

**Figure 4-5: Parcel 7 and Alternative Market Locations**



Source: City of Boston/Boston Redevelopment Authority

would enjoy proximity to the waterfront as a tremendous attraction in the warmer months. While the MBTA Silver Line bus rapid transit service has brought improved public transportation to the area, the Seaport still lacks any subway connection. Although significant development in the area has occurred since the publication of the original market development studies, the area does remain underdeveloped. The Seaport still lacks a significant residential population, despite some housing

development in the area. The relocation of the Institute for Contemporary Art demonstrates that public attractions can establish themselves in the Seaport, but the area remains a somewhat marginal location.

The principal advantages and disadvantages of these sites are identified in **Table 4-1** below. Parcel 7 is unique among these alternatives because the structure of the building is already in place and BRA plans for a Boston Market District have resulted in explicit City support for market use on Parcel 7’s ground floor. All of the sites have access to public transit, but Parcel 7, the Government Center Garage site, and the sites near South Station have the best transit connections to MBTA subway and commuter rail service. Parking and loading are issues at many of these locations, and Parcel 7’s existing parking garage and loading dock are a significant advantage over other locations. Connections to outdoor public amenities such as the Greenway and/or the Harborwalk are common to several sites. Parcel 22, the Chiofaro Harbor Garage site, the Raymond Government Center Garage site, and Parcel 7 all have excellent visibility, although Parcel 7 stands out for its visual connections with both the Greenway and City Hall Plaza. Timing is a major factor with all of these locations, especially with regard to the private commercial development sites where the commencement of development activity will be largely dependent on recovery in the real estate market from the current economic downturn. While there are good arguments to be made for including a Boston Public Market in a larger private mixed-use undertaking, the level of interest among private developers is currently unknown. In summary, Parcel 7 is the best currently available location for a Boston Public Market based on the advantages and disadvantages of alternative sites.

**Table 4-1: Advantages and Disadvantages of Alternative Market Sites**

Site	Advantages	Disadvantages
Independent Development Opportunities		
Parcel 22 / Dewey Square	<ul style="list-style-type: none"> <li>▪ Highly visible location in the heart of financial district</li> <li>▪ Excellent transit access at South Station</li> <li>▪ Busiest pedestrian area</li> </ul>	<ul style="list-style-type: none"> <li>▪ Timeline for disposition unknown</li> <li>▪ No parking</li> <li>▪ Poor truck access / loading</li> <li>▪ Construction risk</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Publicly owned</li> <li>▪ Site of BPMA pilot markets</li> </ul>	
Seaport District	<ul style="list-style-type: none"> <li>▪ Preferred location in 1998 PPS study</li> <li>▪ New frontier of Boston development</li> <li>▪ Extensive public land holdings (Massport)</li> <li>▪ Proximity to harbor and Harborwalk</li> <li>▪ Strong seafood connection</li> <li>▪ Institute of Contemporary Art establishes civic facilities in the area</li> <li>▪ Subject to Chapter 91</li> <li>▪ Silver Line bus service</li> </ul>	<ul style="list-style-type: none"> <li>▪ No specific site identified</li> <li>▪ Little nearby residential</li> <li>▪ No train service</li> <li>▪ Timing of major nearby developments unknown</li> <li>▪ Removed from downtown</li> <li>▪ Off the beaten path</li> <li>▪ Little pedestrian traffic compared with other sites</li> </ul>
<b>Joint Venture or Leasing Opportunities</b>		
Parcel 7 (Preferred Option)	<ul style="list-style-type: none"> <li>▪ Existing building reduces capital cost</li> <li>▪ Turnpike disposition process already underway</li> <li>▪ Adjacent to BRA Market District</li> <li>▪ Explicit City preference for public market use on ground floor</li> <li>▪ Outdoor plaza to accommodate seasonal expansion</li> <li>▪ Interest in public market from both likely developers</li> <li>▪ Visual and pedestrian connections to Greenway, City Hall Plaza, Freedom Trail</li> <li>▪ Excellent transit and vehicular access; loading dock</li> <li>▪ On Site Parking</li> </ul>	<ul style="list-style-type: none"> <li>▪ Existing building limits size, programming</li> <li>▪ Timing of ground lease unknown</li> <li>▪ Must come to terms with developer selected by Turnpike Authority</li> <li>▪ City commitment to market district unclear</li> <li>▪ Governance of market district unknown</li> <li>▪ Preference for tenants impacted by Central Artery Project</li> <li>▪ Adjacent to Haymarket</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Adjacent to Haymarket</li> </ul>	
Harbor Garage (Chiofaro)	<ul style="list-style-type: none"> <li>▪ Located on Greenway</li> <li>▪ Project expected to include retail on lower levels</li> <li>▪ Waterfront site subject to Chapter 91</li> <li>▪ Connection to Harborwalk</li> <li>▪ No public land disposition process</li> <li>▪ Easy access to transit</li> <li>▪ Adjacent to New England Aquarium</li> <li>▪ Successful developer of International Place</li> </ul>	<ul style="list-style-type: none"> <li>▪ Timing of project unknown</li> <li>▪ Level of interest in market from developer unknown</li> <li>▪ Project timeline dependent on economic recovery</li> <li>▪ Parking and loading potentially problematic</li> </ul>
Gov't Center Garage (Raymond)	<ul style="list-style-type: none"> <li>▪ Adjacent to proposed market district and Parcel 7</li> <li>▪ Highly visible location</li> <li>▪ Transformative project reconnects Boston's West End with Downtown</li> <li>▪ Accessible by car and public transit</li> <li>▪ Parking available at Parcel 7</li> <li>▪ Connections to Greenway and City Hall Plaza</li> </ul>	<ul style="list-style-type: none"> <li>▪ Timing of project unknown</li> <li>▪ Level of interest from developer unknown</li> <li>▪ Project timeline dependent on economic recovery</li> <li>▪ Not subject to Chapter 91 regulations.</li> </ul>
U.S. Postal Service Fort Point Annex	<ul style="list-style-type: none"> <li>▪ Strong transit presence at nearby South Station</li> <li>▪ Waterfront site subject to Chapter 91</li> <li>▪ 16 acre site could accommodate large mixed-use program</li> </ul>	<ul style="list-style-type: none"> <li>▪ Timing of project unknown; no proposal made public yet</li> <li>▪ Project timeline dependent on economic recovery</li> <li>▪ Level of interest from developer unknown</li> </ul>

However, Parcel 7 is not the only place where a public market could be built, and until a commitment is made to go forward at Parcel 7, other alternatives should continue to be explored. After all, BPMA may not be able to come to terms with the developer

selected by the Turnpike Authority, or it may not be able to resolve conflicts with Haymarket surrounding the use of the parcel's outdoor space, or it may be unable to obtain sufficient financial resources soon enough to coordinate with the timing of a developer assuming control of the site from the Turnpike Authority. Any number of factors could compel the organization to focus on a different site. In particular, realization of the large state grant authorized in 2008 would give the organization much greater financial strength. With greater resources at their disposal, the advantages of operating a market in a dedicated new facility of their own design could outweigh the benefits of locating adjacent to Haymarket and potential participation in a broader Boston Market District despite the higher cost and level of risk. Electing to pursue independent development from the ground up would require BPMA to tailor its organization to include staff with the experience and capability of managing the real estate development process, as opposed to focusing their resources on the management and operations of the market itself.

Even if BPMA had much greater financial and staff capacity, the history of public markets along with recent experience in other North American cities suggests that public markets remain marginal in competition with other land uses. Parcel 7 illustrates key considerations for public market site selection. The opportunity at Parcel 7 not only presents a low-cost site option, but also a ready-made (if less than ideal) building, potentially supportive partners, and the possibility of a publicly sponsored umbrella organization. If it were to pursue a site other than Parcel 7, BPMA should continue to look for low cost site options that provide opportunities to share the burdens and risks of the development process with other organizations, particularly with well-capitalized and experienced partners. Moreover, through the BRA's plans for a market district and through its use guidelines for Parcel 7 redevelopment, public policy favors market development at the site. Even though an alternative site may lie outside the market district, other policy constraints may apply to create favorable conditions for public market development as a public amenity in a mixed-use project.

The choice between Parcel 7 and another location is not necessarily an either/or proposition. A Parcel 7 market hall could be viewed as an incremental step toward independently developing a market hall at another location in the future. Especially

because BPMA would only be leasing the space, the market would not necessarily be under obligation to continue operations there permanently. Involvement with a broader Boston Market District organization could limit BPMA's flexibility to establish a new market elsewhere, but there may be opportunities to construct a new market building in the Haymarket vicinity. Potential sites for a new market hall or a BPMA expansion facility in the area could include Greenway parcels, Raymond Properties' Government Center Garage site, or even City Hall Plaza. In the long view, BPMA may be able to eventually restore historic Quincy Market itself to its role as Boston's central marketplace in the future.

### **Organizational Strategy Beyond Site Selection**

BPMA's main purpose is, obviously enough, to build a public market. Parcel 7 presents the a major opportunity for BPMA to proceed with the development of a market that would be capable of addressing their public mission, while requiring a much lower capital investment and the assumption of much less development risk than would come with building a new facility from the ground up. However, this opportunity arrives at a time of organizational retrenchment as BPMA recovers from the loss of its foundation funding and currently operates without any professional staff. Regardless of whether BPMA pursues the development of a market at Parcel 7 or not, organizational development of both operational and financial capacity should be the immediate priority. Securing funding for permanent staff positions can relieve the Board of Directors of most day-to-day tasks and provide an essential sense of continuity, while also improving communications both within the organization and without. With staff resources in place, BPMA can not only continue to pursue their vision of a Boston Public Market, but also work to extend its range of activities to include sponsoring and coordinating the educational programs that would eventually find a home at a new Boston Public Market.

Pursuing its mission of educating consumers about local food production does not necessarily require that BPMA build a market. Regardless of whether the Parcel 7 opportunity proves fruitful, or whether BPMA pursues another site, there are other activities in which the organization could engage to promote both its public goals and

eventually its pursuit of a new market building. These activities could include revisiting efforts to expand the range of activities at seasonal markets, organizing cooking demonstrations at local restaurants and culinary schools, and coordinating farm visits or hosting public discussions with farmers and food producers. Through its relationships with restaurants, culinary educators, and others, BPMA has already successfully hosted benefit dinners and other events. Expanding the purposes of these events beyond fundraising, the organization could use similar venues to host educational programs.

BPMA was notably successful in launching pilot markets that began to showcase what a public market could offer the City of Boston, particularly the downtown area. The seasonal markets at the Northern Avenue Bridge and at Dewey Square also gave the organization needed experience in market management, and helped to raise the public profile of both BPMA and the market project. Current plans to restart the seasonal market will help to refocus public attention on the market project, but the seasonal markets had their shortcomings. While the organization definitely attempted to distinguish the seasonal markets from other Boston area farmers' markets, their efforts to extend market programming to include kitchen demonstrations and other features that would truly set the BPMA seasonal markets apart were unsuccessful, largely due to City of Boston regulatory hurdles. This is an area where support from the public sector is especially important, and was notably absent. Despite expressions of support from the Mayor and the Boston Redevelopment Authority, the City did not offer BPMA significant assistance with either permitting issues or reducing the cost of police details at Dewey Square. With the return of the BPMA-sponsored Dewey Square market this summer, the organization should again seek to expand the range of offerings.

## **Conclusion**

In summary, Parcel 7 is currently the most promising site for a Boston Public Market, albeit for a smaller market than those envisioned by previous studies. The location boasts of excellent vehicular, transit, and pedestrian access. There is adequate parking onsite. It is in close proximity to the downtown employment center, to major tourist attractions, and several residential enclaves. New development in the area could make it more exciting yet, although construction activity could be disruptive

to market activity. The interior space is somewhat less than ideal, but could still prove very much workable. Due to space constraints, great care should go into tenant selection and merchandise mix in order to make every square foot count toward making the market a vibrant, attractive place. The parcel's outdoor spaces are a significant and necessary asset, and would also allow for seasonal expansion of the market to include more farmers and other vendors during peak seasons of local food production. The outcome of the Parcel 7 disposition process, and negotiations with the selected developer, will obviously dictate whether or not BPMA could move forward with a Parcel 7 market.

Of course, Parcel 7 does not exist in a vacuum, and this opportunity must be evaluated within the context of its immediate surroundings— directly in the midst of the current Haymarket and the BRA's planned Boston Market District. A larger market district including both a BPMA market hall and the Haymarket vendors could boast of a broader range of products and a more diverse clientele than either market would attract on its own. Such an expansion of food market activity in the area would also represent a revitalization of the area as Boston's central food market. BPMA must be careful to establish and protect a distinct identity to ensure that the shopping public understands the differences in the two markets. Such a separation should result in a complementary rather than competitive relationship. A clear spatial separation between Haymarket and a BPMA market is likely necessary to effect this required distinction, and BPMA must secure exclusive use of the exterior space at Parcel 7. The resolution of any Haymarket claim to the outdoor space on Parcel 7 is a required hurdle to a BPMA market going forward. Without the outdoor space, Parcel 7 is likely insufficient for BPMA needs.

Haymarket has an established organization, a long history, and legal protection for the continued operations of the vendors. Its bustling and colorful pushcarts provide an important outlet for inexpensive fresh foods for city residents. However, current waste management practices at Haymarket have a negative impact on the quality of the market environment and need improvement. The Parcel 7 space does not have sufficient capacity to include waste management or storage space for the Haymarket pushcart vendors in addition to meeting the storage and servicing needs of its own

tenants. Moreover, the BPMA market in Parcel 7 is unlikely to require the use of shared facilities with the Haymarket vendors, and should not be expected to subsidize them.

While the extent and direction of efforts to establish an overarching Boston Market District are unclear at this time, participation in such an organization could benefit BPMA but must be approached carefully. Some of the proposed responsibilities and services of the umbrella organization, such as overall Market District governance, public realm maintenance, and support for educational programming, would be of distinct benefit to a BPMA market. Other services, including marketing, waste management, and loading, are probably best handled independently by BPMA. No matter what emerges from the BRA Market District initiative, it is essential that a District-wide organization protect the interests of all market organizations in the area. Funding for such an umbrella organization is likely to be contentious as well, and it will be important to seek a fair allocation of costs.

Regardless of BRA efforts, the pursuit of Parcel 7 for a BPMA-sponsored Boston Public Market will require engagement with the Haymarket pushcart vendors. The Haymarket PVA is open to change at the historic outdoor market, but is dedicated to preserving the culture, traditions, and low price point of the market. A primary driver behind Haymarket's low prices and independent vendors is a low vendor cost structure. The PVA is likely to resist improvements to the market area and its operation that entail the imposition of new costs on its vendors. Otherwise, the PVA is open to an expansion of market activities in the area, as long as the pushcarts' autonomy and claims to the Haymarket area are respected.

BPMA's mission addresses four target areas: offering local, healthy, affordable foods for sale; educating the public about food and food production; providing a forum for public gathering and interaction; and creating economic opportunities for farmers and other vendors. While programming a Parcel 7 Public Market to address these four principal purposes will require careful thought, such a market could be capable of creating these four identified public benefits. The location of Parcel 7 within the context of Haymarket and the Greenway helps to improve the ability of a market there to function as a landmark public attraction. The other three primary mission areas place

competing demands on the limited space available in the ground floor of the Parcel 7 building, but planning for flexible space usage can help to overcome this issue.

The market's leasing plan must be structured in order to accommodate a variety of different types of vendors in order to maintain an attractive mix of merchandise throughout the year, including provision for both permanent and occasional vendors. BPMA will have to devote careful thought to a leasing plan that balances the market's mission to support local agriculture and food production and the creation of a vibrant and attractive merchandise mix that will support the market's economic success. Seasonal and other limitations on local food production may require that some allowance be made for non-local foods in order to maintain a full range of merchandise. In addition to permanent market stalls for vendors, the flexible space used for educational programming and customer seating should also be capable of accommodating day stalls or other short-term food sales use.

BPMA's efforts to date have not been successful in launching the development of a Boston Public Market. Compared with the independent development of new public market hall, the Parcel 7 opportunity represents a chance to develop a market sooner and at a lower cost than independent development at another site, along with a lesser commitment to maintaining long-term operations at a given location. Moreover, pursuit of a market at Parcel 7 need not foreclose future expansions or relocations either in the Market District area or at another location. Ultimately, it may make sense for BPMA to pursue market development at another site, whether Parcel 7 proves unworkable or the organization secures sufficient funding to support a more costly undertaking. Nonetheless, in the short term, Parcel 7 is the best opportunity for the group to step forward with the development of a permanent market.

The Parcel 7 opportunity exhibits characteristics that would enhance the feasibility of a public market use, and that should be sought out in any other market site. At Parcel 7, BPMA would not have to build a building: Parcel 7 is leasing opportunity rather than a purchasing or development opportunity, which requires a lower level of capital investment, less assumption of risk, and less commitment to a long term future at the site. Parcel 7's use is constrained by public policy: The public land disposition process and the use guidelines embedded in covenants regarding the parcel's

ownership limit the potential value of the site for commercial development. This limitation creates opportunity for uses that are advantaged under these policy constraints, in this case retail and public facilities uses. Finally, Parcel 7 would be part of a bigger project that would allow BPMA to leverage outside resources and expertise: Not only is the site located adjacent to Haymarket within the planned Boston Market District, but the building includes multiple uses and the developer selected by the Turnpike Authority will likely have the expertise and resources to manage the property efficiently and well. Given the overall scarcity of resources facing organizations such as BPMA, identifying value-constrained sites and finding opportunities to forge mutually beneficial partnerships are the most promising strategies for successful development of a Boston Public Market.

Regardless of whether or not Parcel 7 works out for BPMA, in order for both the organization and the market project to move forward, BPMA's immediate priority must be the development of greater financial and organizational resources, especially in the areas of staffing and program development. Although developing a year-round indoor market is the organization's primary reason for being, BPMA should also devote resources to pursuing program activity that furthers its educational mission in order to raise its profile and illustrate the benefits of eventual market development. Prior BPMA efforts at the seasonal outdoor markets were intended to offer more programming than other farmers' market in the Boston area, but these efforts were somewhat unsuccessful. The resumption of BPMA's seasonal market should again try to expand its offerings, and the organization should plan other events to generate publicity, to raise funds, and to provide a learning experiences based on local foods and foodways.

## **05: Public Market Development: Making the Improbable Possible**

Efforts to develop a market in Boston have thus far been unsuccessful. However, the Boston Public Market Association has endured despite a reversal of fortune that arrested the organization's progress in its tracks. The group now has a promising opportunity to move forward toward developing a public market hall in the ground floor retail space at Central Artery Parcel 7. This is a distinct change in strategy: for most of the organization's history, the focus of its efforts has been on direct development of a new market building on an independent basis. Both the PPS-PMC study and the Seareach-CMI study devoted scant attention to alternative approaches other than ground-up development of a new market building under the ownership of a non-profit market management organization. Despite identifying a number of potential locations, BPMA was unable to achieve site control or to develop the resources necessary to pursue independent development of a new market hall.

The opportunity at Parcel 7 represents a different kind of market development strategy, as a tenant rather than as the owner or developer of the market building. The location, facility, and policy context are all favorable for market development at Parcel 7. Aside from the site itself, BRA plans for a Boston Market District in the vicinity of Parcel 7 indicate strong City support for market development at that location. Even without BRA support for development of a public market hall as a component of the proposed Boston Market District, pursuit of Parcel 7 by BPMA would reduce the capital cost of opening a permanent market and would eliminate the time and risk involved in designing and constructing a new building. Although the foregoing analysis attempted to answer some questions and identify key considerations about opening a public market hall in Parcel 7's ground floor, it is impossible to know at this time whether such a market will come to fruition. Nonetheless, a Boston Public Market seems closer to reality now than it has since the idea's inception.

The case of BPMA's drive to develop a new Boston Public Market is unique, with its own history, cast of characters, and dynamics. Boston is by no means a typical city, with its extremely tight and expensive land market, high barriers to entry in the development field, and rigorous public approvals process. Organizations in other cities likely face a different set of constraints when developing a strategy for the creation of a

market hall. Would-be developers of public market halls each have their own strengths and weaknesses as well. As private, for-profit development by Equity Office at San Francisco's Ferry Building and the publicly chartered development authority at Pike Place demonstrate, not all would-be operators of public markets are non-profit start-ups like the Boston Public Market Association. Considerations that apply in Boston for BPMA may not be as relevant in cities with inexpensive land and permissive development regulations, or for well-capitalized or publicly supported groups with substantial real estate development experience. But the experience of Boston's efforts to develop a year-round market hall does illuminate the general challenges of developing a new public market hall in a contemporary American city, and permits a better understanding and conceptual extension of existing public market planning frameworks.

This thesis began with an account of public market history through which one can trace the evolution of public markets from integral components of municipal infrastructure and mainstream centers of food commerce to more idiosyncratic facilities that serve as alternatives to the industrial food distribution system and as civic institutions capable of generating a wide range of public benefits. While successful, well-loved public markets persist in quite a few American cities, and there is interest in creating new markets in Boston and elsewhere, these food markets must inhabit or create unique niches in their respective local contexts. The marginal position of public markets with regard to the mainstream economy of both the real estate market and the urban food system puts them at a competitive disadvantage to other real estate uses. All urban development projects face the challenge of being a "most fitting and probable use." Organizations hoping to develop new permanent public market halls face the same criterion, but face an additional challenge: that of making a fundamentally improbable real estate use possible, and indeed successful.

Successful market development is more than a matter of opening the building and managing break-even operations. One of the key distinctions between public markets and mainstream retail cited by the Project for Public Spaces is that public markets have public goals. These goals comprise the market's mission, and identifying that mission is the first step in the market planning process described by the PPS

handbook. Whether the market's goals are to support local agriculture, preserve cultural traditions, improve food access in low-income neighborhoods, or provide small business opportunities, all public markets have some kind of public mission. The market's mission is both the reason why the market should be built and what market proponents hope to accomplish. There may be multiple goals comprising the mission, but establishing *why* a public market should be built and *what* it is supposed to do are a crucial first step toward making that market a reality.

Public market development entails more than just the real estate project of establishing an attractive public space that provides a home for locally owned food businesses. It is really a more complicated task that requires its proponents to simultaneously create a real estate space, launch a business venture, and establish a civic institution. All of these endeavors must be successful in order for the market to fulfill its mission and achieve its goals. The real estate problem of creating the market's physical structure is only one part of the task. Nonetheless, the real estate world's twin criterion of "most fitting and probable use" really captures the essence of a successful public market development project. A successful market would be "fitting" in response to both the organizational capacity of its sponsor and to a range of local contexts: to the local food shopping environment, to regional networks of food production, to the local real estate space market and development climate, and to existing political structures and civic institutions. While the market's mission remains the grounding concept around which all other decisions revolve, it must be shaped in response to the local context within which the market will exist. Local contexts shape the "most fitting" part of the equation, but what about the "most probable" part?

Despite the improbable nature of public market development, market proponents can improve their chances of success by opportunistically addressing these local contexts in order to help make the improbable possible. The experience of the Boston Public Market Association sheds light on two strategic areas in which public market proponents can respond to local contexts to make successful market development more likely. The first of these strategic considerations revolves around site selection. By pursuing an appropriate site with an appropriate real estate strategy, would-be market developers can take one of the most important steps toward making the market a

reality. Such a strategy would be crafted to suit the local market, the local regulation of land use and development, and the proponent organization's own capacity. In many cases, the optimal strategy may not involve the market proponent directly engaging in real estate development at all. The second consideration for making a market more probable is the securing of outside political and economic resources and support, based on the range of public benefits that market advocates hope to create. Public markets showcasing locally produced foods may find allies in many areas, and clear articulation of the market's anticipated benefits can help to forge alliances, secure resources, and create opportunities for market proponents to make their visions a reality.

Even the best strategy is no guarantee of success, and even the best public market project can be a long-term endeavor. Boston's market advocates have been striving to create a new market hall for more than ten years, and it is still uncertain when or if they will reach their goal. Opportunities where a public market can be a "most fitting and probable" project in the contemporary city may take years to emerge, especially when control of an appropriate site must be coupled with the resources and support required for its development. Even when a likely site is available, such as Boston's Parcel 7, market proponents need to be positioned to take advantage of such an opportunity by having the resources, relationships, and reputation to carry the project forward and to open the market with a loyal following already in place. While progress toward developing and opening a market may advance in fits and starts over a period of many years, proponent organizations must use that time wisely and well. Transitional programming, such as BPMA's seasonal pilot markets, helps to establish the market concept in the public mind, develop a constituency, and build up the organization's profile and credibility. Continually improving and expanding on such programs can help a public market organization start addressing its mission, build relationships, and be well positioned when opportunity emerges.

### **Understanding Local Contexts: Planning the Most Fitting Public Market**

The PPS framework for planning new public markets emphasizes the centrality of the market's mission and the special importance that organizational assessment and development have for public market proponents. The market's mission is indeed a

central concept. And realistically gauging not only the proponent organization's current capacity, but also its likely future capabilities, is essential to setting attainable goals for market development and to understanding the additional capacity and resources the organization needs to develop. To do so, the organization must examine its financial resources, the expertise of its board members, its staff capabilities, its organizational creditworthiness, and its political influence. This is especially true for a start-up organization with limited financial resources and no base of existing staff, such as the Boston Public Market Association. Articulating market goals and gaining a deep understanding of the resources currently at hand allows the group to know where it stands on the road to opening a market, and gives it some indication where greater resources must be gathered.

However, the market mission and the sponsoring group's assessment of its own capabilities must also be evaluated within a range of local contexts in order to formulate an appropriate market plan. The conceptual plan for a public market must engage the local and regional food system, the local real estate market, multiple levels of public policy, and the landscape of local civic institutions—in addition to the mission and capacity of the market proponent itself. The market mission and the market's sponsoring organization do not exist in isolation. In order to be “most fitting,” a public market must respond to all of these contexts and more. “Most fitting” does not just refer to the market's immediate physical surroundings, but to a whole array of political, economic, social, and physical systems that bear on its development and operation.

At root, public markets are all about food, and one of the most important contexts for market proponents to understand is the local and regional food system. The PPS public market handbook recommends that organizations interested in developing a new public market pay close attention to other local markets and related activities and learn as much as possible about their sponsorship, management, expenses, and revenue. However, given the focus on local businesses and local foods at the heart of contemporary public markets, a broader effort to understand the local and regional food system is necessary. Market advocates need to understand both the immediate local context of food sales and distribution in the city, and the regional networks of agriculture, fishing, and food production in the surrounding area. For BPMA, the survey

component of the Seareach-CMI study that examined shopping patterns and preferences at local farmers' markets, supermarkets, and Haymarket was an excellent step in this direction. Extending this research to study these outlets in greater detail, especially focusing on merchandising, can allow market proponents to identify underserved or growing consumer niches.

On the supply side, the same effort needs to be made. Given its roots in the Department of Food and Agriculture, it is no surprise that BPMA is in tune with the local agricultural community, with several farmers serving on the board of directors. BPMA also has strong partnerships in the local restaurant community. Like farmers, chefs are represented on the board, and several local establishments have hosted benefit dinners for the organization. Ideally, these kinds of relationships would be formed with the fishing and aquaculture communities, cheesemakers, brewers, winemakers, and other food processors. Understanding the full range of regional food production gives market proponents a better idea of the vendors and products their market might accommodate, especially as market planners begin to envision the market's merchandise mix.

In order to adequately plan for any kind of permanent facility, it is also essential that market proponents attain an understanding of local real estate market conditions and the challenges and opportunities of the local development environment. This understanding begins with general considerations like the scarcity and value of developable land, and the rigor of the public approvals process. Awareness of changes in the local landscape is important, as well. Major infrastructure projects have the potential to alter transportation routes and land values. Such projects can also entail the disposition of surplus land: the Massachusetts Turnpike Authority is currently seeking long term ground leases for many of the surplus Central Artery parcels it controls. Finally, knowledge of current and planned development activity in both the public and private sectors is essential. All of the locational options discussed for BPMA involve either public land dispositions or private redevelopment undertakings. Closely following local real estate happenings can help market proponents to identify site opportunities as they emerge. Knowledge of the local real estate context helps market proponents to both identify potential sites and understand their own ability to obtain and develop land.

Coupled with an understanding of the local real estate environment, market advocates must also factor in the political and legal context of the public sector. City government has control of zoning and development approvals, is responsible for local planning initiatives like the proposed Boston Market District, and may directly own land that could serve as a potential market site. City regulation and licensing of vendors also represent the most immediate regulatory regime with bearing on the market's eventual operation. State government is likely to exert influence over more regional concerns. In Massachusetts, both legislative and executive functions will affect the future of a Boston Public Market. The Turnpike Authority controls key Central Artery Parcels. The legislature created the Chapter 91 tidelands regulation that creates public space requirements favorable for market development, and also authorized substantial bond funding for public market development. Most agricultural and food safety regulation originates on the federal level. The federal government may also be a source of funding through grants from the U.S. Department of Agriculture and other agencies. Although little substantive public policy directly addressing public markets exists, market proponents need to be aware of the legal and policy considerations that impact their plans from all levels of the public sector.

Public market proponents must also understand the city's local civic and cultural institutions, among which the market will find potential competitors, partners, and allies. Aside from general economic competition for space in the city and retail competition for consumer sales, there is a competitive realm of civic institutions that includes museums, cultural organizations, theatres and other institutions. These civic and cultural institutions must compete with each other for scarce public and private funding, as well as for other public support including publicly owned land. In Boston, BPMA made a bid to secure Central Artery Parcel 18 as a market site, but lost the competition to the New Center for Arts and Culture. The civic and cultural landscape may reveal potential allies, as well. The Rose Kennedy Greenway Conservancy is a likely ally for BPMA, given the Conservancy's interest in activating the Greenway and giving life to its parks and pathways throughout the year. In the context of the proposed Boston Market District, the Haymarket Pushcart Vendors Association is an organization with which BPMA will have to interact and cooperate. Understanding the other players or potential

players in the city's civic realm allows market proponents to contextualize their own agenda, and to identify potential partners and adversaries alike.

These contexts relevant to making a public market project “most fitting” are hardly exhaustive, but they capture the principal concerns that market planners must address during the conceptual development process. The mission and goals do indeed determine the *what* and the *why* of the proposed public market. But the questions of *how* and *how much* are determined by the interplay between the proponent organization and the many social, political, economic, and physical systems in which it will exist. The market mission and concept must be adjusted in recognition of both outside limitations and potential support. A market proposal that responds as completely as possible to all of its local contexts stands the best chance of meeting the “most fitting” part of “most fitting and probable use.” However, even the most fitting market proposal may be impossible to realize, and market proponents must also strive to make their proposal the “most probable” at some location in the city.

### **Making the Improbable Possible, Pt. 1: Site Selection and Real Estate Strategy**

One key to making a public market development more probable is the selection of an appropriate site and an appropriate real estate strategy. Site identification is absolutely critical to developing the market proposal beyond the initial vision stage. The basic real estate problem at hand is, after all, a use in search of a site. While it seems completely obvious to say that one needs a site before one can build a market, the reality is that one needs a site before one can really *plan* a market. In terms of the PPS three phase consultancy process, a market proposal cannot progress beyond Phase One until a specific site is selected. Without a specific location, it is impossible to accurately assess the project economics or to articulate all the specific limitations and conditions imposed by location, both of which are essential to advancing any kind of development project. Inability to identify and secure an appropriate site has been one of the main factors impeding BPMA's efforts to develop a market in Boston. While BPMA was certainly faced with a problem of limited resources, as long as the group lacked information about a specific site, it was unable to even assess how much capital

it needed to raise, how large a staff it would ultimately need, what kind of programming it could accommodate, or how many vendors it should eventually recruit.

The marginal economic position of public markets compared to other kinds of commercial real estate development creates an uneven playing field when public market proponents are competing with other interests for sites. Sites where an argument can be made for public markets as a “most fitting and probable use” are few and far between, especially in tight land markets such as Boston. Would-be developers of public markets should therefore seek out opportunities where the civic nature of their project might give them an advantage over competing uses. The most favorable sites of all for markets are locations where public policy establishes explicit preference for market use. However, publicly owned land, policy constrained development sites, and partnership or participation opportunities in other mixed-use projects represent three other situations where public markets may find potential opportunities. Each of these options presents a different strategy for market proponents with regard to control of the underlying real estate, and puts the market organization in a different role in the real estate development process. The choice of potential sites needs to focus not only on the location itself, but also on the development structure that accompanies it.

The PPS public market development handbook is careful to distinguish between the market sponsor — the organization responsible for market operations, and the owner — who holds title to the land and building. To extend the PPS argument into the real estate realm, the same distinction is made between the space producer group (i.e., developers) and the space user group (i.e., tenants). Commercial real estate developers must necessarily belong to the first group; their business is to develop buildings. Organizations seeking to establish new public markets must necessarily belong to the space users group, but do not necessarily have to be a part of the space producers group. Actually developing and owning the land and building would require the market’s proponent organization to retain staff with specialized skills in managing the development process, along with a long-term commitment to a location and the assumption of substantial capital costs and a level of risk beyond the operation of the market.

The primary purpose of a public market organization is to run the public market, and real estate development is likely to be a one-time adventure for such a group. Especially in high barrier to entry real estate markets like Boston, even a resource-rich market organization may not be well suited to the rigors of independent real estate development. Developing the internal capacity to successfully engage in real estate development is not likely to be the organization's most efficient use of resources. On the other hand, development can have benefits: Developing and owning a market building may create new revenue streams for a market, such as rental income from a full-service restaurant, non-market office space, or facilities rental from hosting special events. However, any of those channels of revenue will require management and staff resources that won't be devoted directly to the market itself. If the market sponsor is a non-profit organization, such revenue streams may also raise Unrelated Business Income Tax issues that threaten the group's tax-exempt status. The essential point here is that a market organization must adopt a real estate strategy with a keen eye on the realities of the local real estate context and on the constraints of its own capabilities.

Both the PPS handbook and the studies undertaken for BPMA identified publicly owned development land as an appropriate low cost opportunity to obtain a site for independent market development. But as the slow pace of sales or ground leasing for Central Artery parcels indicates, the public land disposition process proceeds at its own pace, and market proponents eager to move quickly may need to look at other options. Additionally, such public processes are competitive and local authorities may have different priorities in different settings. There is no guarantee that public markets will receive preferential treatment in the sale or leasing of public land. In some cases, the objective of a public land disposition will indeed be to create civic amenities like public markets. In other cases the goal may be to maximize the financial return to the local jurisdiction, or to create affordable housing, or to stimulate industrial activity. Nonetheless, the fact that public land dispositions may have priorities other than maximizing the economic value of the land presents market proponents with an important possible strategy for site acquisition.

While public markets are disadvantaged in pure economic competition for urban land, their potential public benefits may contribute to situations where the playing field is

tilted in favor of public market development. The choice of location for market development is not limited to opportunities for the purchase or ground lease of development land. Markets can potentially be components within larger projects, as when public policy mandates the inclusion of public amenities within larger private developments. Such opportunities involve the market proponent partnering or contracting with an outside real estate developer, rather than serving as the developer itself. Public policy or regulation can help bring public market proponents together with developers from the for-profit sector, either as partners or in a tenant-landlord relationship. In Massachusetts, the Chapter 91 waterfront regulation provides an outstanding example of a state law that can impose public space requirements on developers of waterfront projects. Including a public market within a larger development project would be an ideal way to meet such requirements, and a successful market would even be able to offer some level of rental income to the project's owner.

Even when development regulations do not explicitly require developers to construct public amenities, inclusion of such an amenity can be a useful component of the give and take between private developers and permitting authorities. In Boston, several large mixed-use development proposals have been identified as potential alternatives for locating a Boston Public market, including projects both subject to and exempt from Chapter 91. Inclusion of a public market in a mixed-use complex may be attractive to developers not only as a bargaining tactic in project entitlement negotiations, but also as an amenity to attract tenants and buyers to their projects. Public market proponents in search of a site should stay abreast of local development news and reach out to developers of large projects as potential partners.

Alternative strategies other than direct, independent real estate development make sense for public market proponents given the high cost, complexity, and risk of the development process. One alternative option is for the market organization to still take the ownership position, but to retain outside real estate project management consultants to handle the details of design and construction. This approach still leaves the organization needing to raise sufficient capital to fund the project, and assuming a risk-bearing position with regard to development costs, construction timelines, and the long-term demands of owning the market building. On the other hand, pursuing

opportunities to open a marketplace in leased space, whether in a new project or as part of an existing mixed-use development, reduces capital requirements and allows the market's sponsoring organization to focus its efforts and resources on market programming, leasing, and operational issues that are essential to the market's success. This is exactly the strategy that BPMA would be adopting in pursuing the development of its market in the ground floor space at Parcel 7.

The opportunity at Parcel 7 extends the logic of pursuing sites where market proponents might have an advantage over other uses one step further, to a situation where public policy establishes an explicit preference for public market use in the ground floor retail space. Moreover, since the building's shell is already complete, both Parcel 7's master developer and BPMA can avoid the majority of development costs and construction uncertainty, especially given the technical complexities of building a project above an underground highway and a subway line. Such a policy preference may not be the result of advocacy on the market proponent's part. The choice of location for the BRA's Boston Market District is based on the area's historical function as a marketplace and on the continuing presence of the Haymarket pushcarts. This set of conditions, rather than action by BPMA, led to the policy preference for public market use at Parcel 7. In order to take advantage of such situations, establishing the value of the benefits that public markets create is crucial in motivating outside support for the market project. The market's mission and expected benefits should indicate likely sources of support.

### **Making the Improbable Possible, Pt. 2: Garnering Support and Allies**

In most cases, public market development will require support from outside the organization. In Boston, Parcel 7 presents a great opportunity for BPMA to finally succeed in developing a public market, but the organization will need outside funding and support in order to make a Parcel 7 market a reality. Even with an existing facility that specifically favors public market use, project economics are likely to require financial support from outside the organization. The market's specific mission and expected public benefits should indicate likely sources of support, but market proponents should not expect funders and supporters to simply line up to help realize

their vision. The market proponent must sell outside stakeholders on the benefits of the market: it must promote the market and its mission in order to establish the market's value and attract the support it needs. While a market's public mission can justify its development, effective articulation of the benefits that mission will create will be required in order for the project to garner substantive public and private support. The market's benefits constitute a return to outside supporters on the investment of their financial capital, social capital, resources, and reputation.

Public market proponents can help make their case more effectively by estimating the specific benefits the market is expected to create: how many jobs the market will create, how much additional revenue will flow to farmers, how many square feet of public space will be created. Projecting and quantifying the benefits the market is expected to generate go hand in hand with the progress of market planning. Such projections require knowledge of the specific details of the market. For example, estimating how much money will flow to local farmers through sales at the market requires an estimate of gross sales, net vendor revenue, the size of the market, number of vendors, etc. But just as the other details of the market proposal can be estimated with increasing accuracy and specificity as the planning progress continues, so too can the public benefits. Projecting these benefits is just like projecting the return on investment for prospective investors. As the market concept is increasingly fleshed out over the course of the planning process, it is important to flesh out its expected public benefits, as well, in order to make the case for the project to funders, to potential partners, to local authorities, and to potential customers.

A public market's benefits may also be indirect, and market proponents should seek support from all of those who will benefit from the market's presence and operation. Two of the principal arguments based on the expected benefits of a Boston Public Market are support for local food producers, and activation of the Kennedy Greenway. Both of the arguments actually involve both direct and indirect benefits. Sales of locally grown and produced foods from the market's stalls will directly support the farmers, fishermen, and vendors who produce and sell the food. But a well-run and popular market can have broader benefits for the regional food sector, as well, by helping to build the "locally produced in Massachusetts" brand and helping to inspire

additional outlets for local foods. Attracting people to the Greenway helps make that system of parks lively and active, but it can also generate additional visitors for nearby businesses and public attractions. Moreover, the market may have spin-off potential that creates new channels of sales for local products and businesses. A market that sells in sufficient volume will require offsite storage facilities, opening the possibility of wholesale activity supplying local restaurants and institutions. Of course, chefs could shop at a retail market, but would likely prefer a wholesale arrangement dealing larger quantities at lower unit costs. Education and public health indicate another area of potential support. In addition to food and nutrition educational programs, the market could also host public health screenings for issues like high blood pressure. By including such programming, public health organizations and advocates are another set of potential partners. Market proponents should think through all of potential benefits of the proposed market and identify the full range of beneficiaries, all of which are potential allies or supporters.

Support for the market project can come in many forms. From the public sector, support might come in the form of direct funding, a land grant, or favorable terms on a land lease. It can also be less direct, such as zoning or regulatory measures that encourage market development, as exemplified by the BRA use guidelines imposed on the redevelopment of Central Artery Parcel 7. Private sector support could come in many forms, as well. As noted, several area chefs have supported the market by hosting fundraising dinners at their restaurants. Charitable foundations can provide funding of course, but they can also provide technical assistance, marketing support, and other kinds of non-financial assistance. Individuals may volunteer time, money, or other resources. The challenge for BPMA, and for market proponents in other cities, is to cast a wide net and make convincing arguments about the benefits of creating a public market in order to assemble the resources and support that can make the market project happen.

Every voice in favor of public market development brings it closer to reality. For BPMA, the \$10 million in state funding authorized by the legislature may never be realized unless sufficient support emerges from individuals and groups both in Boston and in the rest of the Commonwealth. Despite BPMA's roots and support in the

Department of Agricultural Resources, agricultural arguments alone in favor of the public market are unlikely to secure scarce resources from the Commonwealth, especially during a time of significant economic distress. But without such funding, BPMA may not be able to marshal the resources necessary to make the market project happen at Parcel 7. Market advocates like BPMA can only benefit from building broad coalitions that demonstrate the value of a public market to many different constituencies. The benefits of a public market for urban residents may not be enough to motivate support on the state level, and arguments must be developed around the market's broader regional benefits. While the support of the agriculture sector or the small business development sector or the public health sector alone may not be enough to marshal the required resources to open a market, a coalition of all of them is likely to create a more successful outcome.

### **Are We There Yet?: Sustaining the Drive Toward a Public Market**

The value of patience is an obvious lesson to be drawn from the experience of the Boston Public Market Association. More than a decade has passed since the Massachusetts Department of Food and Agriculture commissioned the first feasibility study for a new Boston Public Market, and efforts to develop a new public market in Boston have not yet borne fruit. However, the organization that coalesced around the idea of building a new market in Boston to showcase the bounty of Massachusetts and New England farms and fisheries remains dedicated to its goal, and is hard at work trying to deepen its resources and move forward. The waiting may pay off soon with the opening of new market hall at Parcel 7, an anchor of a lively revitalized Boston Market District. That site and strategy seems the surest and swiftest path to opening a permanent public market in Boston.

All of the discussion in the preceding chapters underscores the fact that developing a public market is a difficult and complicated process. Such developments can often take a long time to gain traction and eventually become realities. In Boston, many development projects often take years and years to plan and construct, and in the downtown area — where BPMA hopes to establish its market — the slow progress of the Big Dig imposed disruption and delays in the disposition of the publicly owned

development parcels BPMA was eyeing for its market. Considering the competitive local development climate in general, the organization's start-up stature, and complications introduced by the Big Dig, it would have been somewhat surprising if BPMA had succeeded already. Elsewhere in the United States, though, it would also take time to attract supporters, harness resources, win political support, identify a site, recruit vendors, and undertake whatever kind of development is required to open a public market. BPMA's long struggle to develop a market illuminates an important extension of existing public market planning frameworks: how to sustain the vision of a public market through a drawn-out process stretching over a decade or more.

The public mission is not only the anchoring concept for market planning; it can also sustain the proponent organization through the ups and downs of the market development process. The Boston Public Market Association has a well-defined mission with four public purposes: providing healthy local food to Boston residents, supporting local agriculture and food production, promoting food education, and creating a public gathering place. These are the reasons why the group wants to build a market, and those reasons have attracted a group of board members and supporters who care deeply about these purposes. Despite suffering serious setbacks when the organization lost its staff and funding, and when it suspended the seasonal pilot market, BPMA has persisted in its efforts and may now be able to take advantage of an emergent opportunity. Throughout the organization's ten year history, it is the group's dedication to the mission of providing a year round venue for sales and celebration of local foods that has sustained interest and membership in the group. The history of BPMA's long struggle to develop a public market illuminates the importance of the market's mission to keeping the effort alive.

For proponents of public market projects, patience is a virtue. However, being patient does not imply idleness. Refocusing organizational efforts on other kinds of productive activity is the best strategy to keep the market organization strong and growing, especially when a market proponent group is stalled in the development process. The work of planning, cultivating funding, and engaging in pilot programs should continue even when the market development process does not. Public market development requires both financial and social capital. While money can appreciate

quietly in a bank, social capital—the public and private support required in order to successfully develop a market—requires maintenance. In the absence of progress toward realizing their plans, the market organization must maintain a public profile, stay active, and continue to seek support for their vision. The PPS public market handbook advocates an incremental approach to market development, including organizational development. Sustaining the drive toward a public market requires continued engagement and activity on the part of market proponents. Transitional programming is the key to building a strong organization that can succeed in undertaking a major project like a permanent public market hall, and can help develop a constituency for the organization and establish a customer base before the market even opens.

There are several ways in which the Boston Public Market Association continued to pursue its goals even when forward progress toward opening a market seemed to be at a standstill. The seasonal pilot markets were an ideal way to introduce the idea of the public market to the public and to gain experience in market management. These markets also attempted to distinguish themselves from other local farmers' markets and give more of a sense of what the permanent market experience would be like. The success of those efforts was mixed, but the seasonal markets were nonetheless a good vehicle for both public exposure and organizational development. More support from the City in the form of technical assistance with navigating licensing and permitting processes would help the seasonal BPMA market truly stand out among local summer markets. It is also important for a market organization to maintain channels of public communication to keep the concept of the market alive in the public imagination. From 2006-7, the group published quarterly web and email newsletters that updated supporters on the group's activities, market-related events, and seasonal offerings at the pilot markets. Reminding people that the organization is out there is essential to maintaining support over the long term.

Despite these activities, BPMA's funding was still not renewed in late 2007. The loss of financial support, along with the services of a full time Executive Director, was a major setback for the group. However, the strategy the group was pursuing was the correct one. Even when an issue like site selection hangs up the process, public market organizations should do all that they can in order to attract support, raise funds, gain

experience, and pursue the same goals that they hope to achieve after developing the market. Despite setbacks, market proponents must continue to work on establishing the value a market would bring to the city and the region, to develop organizational strength and experience among board members and staff, and provide the public with opportunities to experience aspects of what the proposed market will eventually offer. Even with the possibility of finally securing a permanent location at Parcel 7, BPMA's plan to resume its seasonal outdoor pilot market is sound strategy for returning the organization to the public eye and attracting support for its efforts at Parcel 7. Transitional programming for public market organizations need not be limited to pilot markets, either. Cooking demonstrations, farm visits, and festivals celebrating aspects of local food specialties can all cultivate interest in and support for a public market.

### **The Future of Public Markets: the Story Continues**

Just as Helen Tangires discovered when researching markets and civic life in 19<sup>th</sup> century America, the conclusion of the story of public markets in American cities has not yet been written. Popular interest in a different relationship to food production, food shopping, and food itself that emerged in the late 1960s and 1970s has never disappeared, and recent attention to issues of food sustainability appears to be here to stay. As alternatives to the agribusiness-supermarket industrial food system, public markets will have a role to play in the future of the American food system. The next chapter of the story of American public markets may well be written in Boston, just as Quincy Market ushered in a new market era in the 1820s. BPMA's efforts to create a new public market in Boston are as close as they have ever been to succeeding, with the potential of the Parcel 7 location and the broader context of the proposed Boston Market District. It remains to be seen whether or not this vision becomes a reality. Observers interested in local food issues, in public space activation, in creative real estate development, or in local economic development should all find this unfolding process fascinating, and hopefully, inspirational. Should BPMA succeed in opening a new public market hall, it will have made the improbable possible.

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