1999 Rudy Bruner Award

SILVER
medal winner

PORTLAND PUBLIC MARKET
Portland, Maine
PORTLAND PUBLIC MARKET AT A GLANCE

WHO MADE THE SUBMISSION?

- Portland Public Market; Theodore Spitzer, Director.

WHAT IS THE PORTLAND PUBLIC MARKET?

- A newly constructed indoor fresh food market that houses up to 28 permanent vendors selling Maine-based agricultural products, fresh food and flowers, and eight day tables for small farmers and food producers.

- A commercial development intended to spur renewal in a neglected “marginal” area of downtown Portland while offering a venue for Maine’s struggling small family farmers.

- A four-season indoor market that complements Portland’s existing outdoor farmer’s market.

- A new model for philanthropic intervention in downtown revitalization.

- A well-designed new building constructed by Maine laborers with Maine products.
**CHRONOLOGY**

**LATE 1970’S-1980’S**
Downtown Maine begins an economic decline; building vacancies increase.

1989
Philanthropist Elizabeth Noyce starts the successful Maine Bank & Trust after other local banks fail.

1990
City Council creates Downtown Portland Corporation, a low interest-lending source to stimulate investment in the downtown.

1990
Elizabeth Noyce’s October Corporation buys 3 office buildings downtown, one to house Maine Bank & Trust and to provide an anchor on Congress Street.

1993-1994
Elizabeth Noyce entices L.L. Bean and Olympia Sports to downtown Portland by subsidizing their buildout.

1995
Portland Public Market conceived; Theodore Spitzer undertakes feasibility analysis and conceptual plan.

1996
Spitzer hired as Project Director and Hugh Boyd hired as architect.

1997
Groundbreaking.

Oct. 6, 1998
Market opens to the public.

**KEY PARTICIPANTS**
Individuals who were interviewed are marked with an asterisk [ * ]

**Portland Public Market**
*Theodore Spitzer, Director
*Elizabeth Finegan, Marketing Director

**City of Portland**
*George Campbell, City Councilor, former Mayor of Portland
*Kathleen Brown, Director, Economic Development, City of Portland
*Barbara Hagar, Director, Portland’s Downtown District

**Funding**
Elizabeth Noyce, philanthropist (deceased)
*Owen Wells, President, Libra Foundation and President, October Corporation

**Design & Construction**
*Hugh Boyd, AIA, Principal, Hugh A. Boyd Architecture
*John Orcutt, AIA, Principal, Orcutt Associates
*John Blanchard, President, HE Callahan Construction Co.

**Community Consultants**
*Dennis Pratt, Alpha One Access Consultants
*Mark Swann, Executive Director, Preble Street Resource Center
*Dan O’Leary, Director, Portland Museum of Art
*Joe Boulos, President, The Boulos Company

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<td>1989</td>
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PROJECT DESCRIPTION

HISTORY

The Portland Public Market is the crown jewel of local philanthropist Elizabeth Noyce’s efforts to reverse the decline of downtown Portland. Once thriving, the city center was seriously weakened when a major suburban mall located nearby in 1970, and was further devastated by the recession of the late 1980s. Together these factors left downtown Portland largely abandoned by both retail and office use. Merchants estimated vacancy rates in commercial buildings as high as 90% during the early 1990s, and empty retail locations were a common sight. At the height of the recession the two major banks in Portland failed, leaving the city without a banking institution of any significance – the proverbial “nail in the coffin” for a dying downtown.

Elizabeth Noyce moved to Maine after her 1975 divorce from Robert Noyce, inventor of the Intel computer chip; with her came a large settlement of Intel stock that she used to establish the philanthropic Libra Foundation. She observed the abandonment of downtown Portland with dismay, and in 1990 she resolved to act. Having previously used an out-of-state bank, Mrs. Noyce decided that year to start her own bank in Portland and use it as a catalyst for the redevelopment of the downtown. As the Maine Bank & Trust grew, Mrs. Noyce bought a building just off Monument Square, the neglected historic center of Portland, as well as two other office buildings nearby as part of the same transaction. These buildings had high vacancy rates, required significant investment, and lacked adequate parking. Noyce brought the buildings up to standards and purchased a 650-space garage on a lot nearby.

These early steps illustrated what would become Mrs. Noyce’s and Libra’s trademark strategy: “economic philanthropy.” Essentially, it meant negotiating to bring in businesses just as a private developer, landlord, or in some cases a city ordinarily would, except that – being philanthropic – it would have lower expectations of financial returns and would be willing to assume higher risk than conventional developers. Thus, after witnessing the departure of
Portland’s last department store in 1992 and the subsequent collapse of retail on Congress Street, Mrs. Noyce purchased a vacant building on Congress and brought in L.L. Bean as a tenant. She offered the skeptical catalogue company a minimal-risk, short-term lease and money for fit-out if it would open its first ever retail outlet in a central city. The same kind of enticements convinced Olympia Sports, another Maine-based company, to open shop next to L.L. Bean the following year. The technique, City Councilor and former Mayor George Campbell noted, resembles Urban Development Action Grants (a federal program that funneled development money into the private sector).

Owen Wells, who would become President of the Libra Foundation after Noyce’s death, conceived of the Portland Public Market while on vacation in 1995. Wells had been head of the Portland Museum of Art in the 1980s and had met Noyce in the course of raising money to expand the museum. He became a confidante and trusted advisor to Noyce, playing important roles in key decisions such as opening the downtown bank. In 1995 Wells visited both Pike Place Market in Seattle and the Granville Island Public Market in Vancouver. Excited by the energy and impact of these places, he suggested to Noyce that they create a public market in Portland as part of their continuing effort to revitalize the downtown.

Noyce agreed that the idea was intriguing, and Wells contacted Theodore Spitzer, co-author of a book of case studies called Public Markets and Community Revitalization (1995) and a veteran of public market developments in New York City, Columbus, Philadelphia, and New Orleans. Spitzer agreed to undertake a feasibility study. The study proved favorable, identifying a two-century tradition of public markets in Portland and suggesting that the region around the small city held enough potential customers to support a marquee market. The study bore the trademarks of Spitzer’s community development approach to public markets: it highlighted how the market would provide a much needed boost for downtown businesses as well as for Maine farmers, and how it could offer a public space to bring together Portland’s diverse population. While the Market could not carry a debt load, each of the proposed tenants should be able to operate profitably and pay adequate rents to cover operating costs following a reasonable startup period. According to Spitzer, a few days after he sent in the feasibility report he received a phone call from Wells: “Let’s build it, and by the way, will you manage the project for us?”

Although Elizabeth Noyce died unexpectedly in the fall of that same year, the project continued to move forward under the guidance of Wells and Spitzer. Spitzer founded Market Ventures, Inc., which managed the development and now provides day-to-day management of the Market under contract with the August Corporation. Hugh Boyd was hired as architect in 1996, and two years later in October the market opened to surprisingly widespread media notice (articles appeared in The Boston Globe and The New York Times, for example).
VISION
The most obvious vision inspiring the Portland Public Market is Noyce’s innovative strategy of philanthropy in the service of economic development. Ordinarily, the Selection Committee observed, community foundations do not enter the economic development arena, staying instead in their traditional territory of “arm’s length” support for providers of economic, social, and cultural programs. Through various interventions into downtown Portland, Mrs. Noyce and the Libra Foundation have offered a vision of how philanthropy can redefine its role in the community and assume a broader position of responsibility and impact. The Market exemplifies this philosophy. Conceived from the beginning as a philanthropic project, it was designed to revive a dying downtown by solidifying Portland’s “spine” and connecting the tourist-oriented “Old Port” area to the developing arts district. The Committee was impressed by the skill of the intervention; although quite small – as little as one-fourth the size of a large “big box” supermarket – it is obviously “a big deal in a little city.”

The Market has also been fundamentally informed by the social justice agenda that Spitzer has continually brought to his work. Thus, the Market is not just any retail development designed to bring cash into the downtown; rather, it is a public space that strengthens communities within Portland, supports neighboring social service agencies, and affirms or forges bonds between the City of Portland and Maine farmers. The stalls offer a retail venue for the state’s hard-hit small farmers and independent food producers, and the educational bent of the Market’s operations encourages learning about where food comes from and dramatizes the value of buying local products. This “retail edutainment,” the Committee felt, was an innovative and quite successful way for the Market to move beyond purely commercial activities without embracing touristy clichés or faux traditions. It added value to the consumer experience, while at the same time teaching shoppers about (and thus strengthening) their already existing relationships to their state’s farmers.

Spitzer also envisioned the Market as connected to its urban surroundings in concrete ways. The clearest example of this vision is the story of the Preble Street Resource Center, one of the many social service providers in the Bayside neighborhood around the
Market. When Spitzer first contacted the organization, Preble’s Executive Director Mark Swann recalls, he assumed that Spitzer wanted to discuss “how to keep Preble Street clients away from the Market.” Instead, Swann was pleased to learn that Spitzer wanted to explore how they “could work together and involve Preble Street in a constructive way.” Spitzer’s commitment to this goal was proven shortly thereafter, when Stone Soup, Preble Street’s first business venture, secured a vendor stall in the Market (see “Stone Soup Foods” in “Vendors” below). The Selection Committee noted that this community outreach is only one of several visible examples of the project’s social agenda.

Both Noyce and Spitzer conceived of the Market as an authentic part of the City of Portland. One Selection Committee member agreed that this is no “franchise excuse for a city,” but a Market that genuinely reflects the distinctive people who live and work in Portland and in Maine. In the words of another Committee member, the project has “avoided the scented-candle effect” through careful choice of vendors (see “Vendors” below), targeted lease structures (see “Financing” below), the consistent values of management, and Libra Foundation’s distant but significant oversight.

**ORGANIZATION AND LEADERSHIP**

The Market staff is organized in a fairly simple way: Spitzer serves as Director working with seven employees divided into two teams. The professional office-based team answers directly to Spitzer, and consists of marketing director Elizabeth Finegan, an office manager, and a vendor coordinator. The second team, the porter staff, includes four people, one of whom is quasi-supervisory. Overall, the staff are well prepared for their jobs; in particular, Finegan comes to the project with marketing experience from public markets in Philadelphia and Baltimore.

**Ted Spitzer**

Although Elizabeth Noyce, Owen Wells, and the Libra Foundation were the prime movers in this project, Ted Spitzer has provided the operational leadership. Before being hired by Libra, Spitzer had already been involved in the renaissance of public markets across the nation. He had helped develop several markets, and with Hilary Baum ran the Public Markets Partners, founded in 1991. The Partners organization provides technical assistance on the development and operation of markets nationwide, has operated open-air markets in low-income communities in New York City, and promotes awareness of markets through educational materials.

Spitzer’s deep experience helped him in the early, delicate task of assuaging the doubts of farmers at the existing outdoor farmers’ market at Monument Square. As Spitzer’s feasibility report remarked, these farmers needed “to be persuaded of the advantages of a public market – they are not seeking to escape from a bad situation.” Some farmers were worried that the new market would displace them; others recognized the need to expand their customer base and retail space, but were unsure about their ability to start a higher-overhead operation. Spitzer worked with them to minimize product competition. Since the outdoor market sells produce and
flowers, the indoor market emphasizes meats, fish, and other foods. Spitzer also marshaled positive evidence from his experiences with other public markets to persuade the farmers that additional choice of products would attract more customers and that these additional customers would benefit everyone in the area.

Farmers were not the only ones who needed convincing. According to Joe Boulos, whose real estate firm manages all of the other properties owned by Libra Foundation, conventional wisdom predicted failure for all of Noyce’s projects, including the bank and the market. People had basically given up on the east side of Congress Street, he explains; the prevailing view was that “no one in their right mind” would put nearly $10 million into a market there. Even the downtown Business Improvement District expressed little confidence. But for Noyce, who was content to break even, this skepticism only reinforced the need for a public investment or private philanthropy – development would obviously not happen through conventional channels. Determinedly optimistic, she and Spitzer reamined committed to downtown Portland.

Indeed, Spitzer has repeatedly demonstrated his commitment both to the success of the Market and to his vision for what the Market can mean for Portland. Spitzer and his whole staff, for example, have their salaries tied to the Market’s bottom line. He has also worked assiduously to prevent, or at least limit, the “gentrification” of the Market. This goal is reflected in the lease structures, which favor farmers and food producers selling fresh products over vendors selling others’ products or prepared foods. Crafts and general merchandise are not permitted. In general, the vendor mix has been carefully chosen to create a “real” market, useful for Maine residents first and foremost, and of interest to tourists because of its authenticity. Additionally, Spitzer made it clear that the Market should provide shopping opportunities and community space for local residents, including the 800 elderly and low-income residents of the surrounding Bayside neighborhood. The Preble Street story (see “Vendors” below) speaks to this commitment.

Spitzer’s commitment to the project and to the project’s beneficial role in the community has been an important part of the Market’s success to date. While the Market is by no means a democracy – Spitzer hears suggestions, but makes the decisions himself – it has benefited greatly from Spitzer’s willingness to seek out and then listen to the input of others. A case in point is the Market’s effort to accommodate the disabled. This was an especially difficult goal given the physical characteristics of the site, a steep slope with different floor elevations at every corner of the building. Spitzer and Boyd sought out Alpha One, a local consultant on disability issues, and worked with them from the start to create a fully accessible public space. Although the access solution involved sloping floors throughout the Market, and additional costs were high, the Market remained committed to this goal.

The Selection Committee initially wondered whether Spitzer’s leadership might be a little too good – in other words, might the project depend entirely on his personal nurturance and commitment to authenticity and community outreach? Ultimately, however, the
Committee came to the conclusion that the Market has established organizational dynamics that should survive Spitzer’s departure, in particular the lease structure and the tying of management salaries to the bottom line (see “Finance” below) as well as Libra Foundation’s continuing interest in the project.

DESIGN

Urban Context

At 65,000 residents, Portland is the largest city in Maine and the only major city in the southern portion of the state. The greater Portland area is home to about 217,000 people, who enjoy a surprisingly low local unemployment rate of 2%. Just beyond the city edges, however, Maine farmers, like others across the country, are struggling to keep their land in active agricultural use. Farmland, especially land close to Portland or other Maine cities, can be more profitably sold for development.

There are three main foci in downtown Portland. First, Portland’s “cultural corridor” extends along Congress Street from the Portland Museum of Art (which includes an outstanding collection of paintings by Maine artists such as Winslow Homer and Andrew Wyeth, many of which were donated by Noyce) to the Maine College of Art (located in the former Porteous Department Store), the Merrill Hall performance Center, the Children’s Museum, and Portland Stage Company. The synergy of these institutions, located in close proximity to each other and encompassing Monument Square, the titular “center” of the City, make a convenient destination for locals and visitors arriving in Portland. That connection is strengthened by steadily growing economic activity along Congress Street, including the Maine Bank & Trust established by Mrs. Noyce, the L.L. Bean and Olympia Sports retail stores, and more recent independent additions such as a Starbucks Coffee in a historic building near the Art Museum.

The second downtown focus is the Old Port, a series of shops and restaurants located in historic buildings along the waterfront. The Old Port has long been a major attraction for visitors to the...
Portland area. Its narrow cobbled streets and historic brick buildings make it an attractive destination for visitors arriving either by car or by boat. It begins several blocks from Monument Square, on the opposite side of Congress Street from the Market. The shops are pedestrian-friendly, and visitors can easily find their way to the nearby cultural facilities.

The Bayside neighborhood, where the Portland Public Market is located, has historically been the “poor neighbor” to the cultural corridor and Old Port. With Congress Street as a divider, the neighborhood is home to 75 nonprofit agencies providing services to the poor and elderly, as well as a number of government agencies and small businesses. It was considered an unsafe neighborhood, offering little to either visitors or residents. Construction of Noyce’s parking garage was the first significant development in the area in many years, followed by the development of the Public Market.

Libra Foundation expanded its investments in Bayside by purchasing six additional acres in 1998 on the opposite side of the parking garage from the Market. The Foundation has offered to donate part of the land for the construction of a new sports and entertainment complex to replace the city’s aging civic center. Many attribute the potential viability of this plan to the presence of the Market, and the way in which it has made Bayside an attractive and integral part of the downtown.

Architecture

The Market Building

From the start Elizabeth Noyce wanted the Portland Public Market to be a welcoming place, and a major gathering place for all segments of the Portland community. In addition, she felt the design and construction of the Market should benefit Maine residents and workers. She placed a priority on using materials and contractors from Maine, creating numerous jobs in the construction phase and benefiting the Maine craftsmen who produced most of the building materials. The Market was to be a stimulus for revitalizing Bayside and an incubator for small businesses.

The Market is geared to many types of users.
To realize this vision, Spitzer sought the services of Hugh Boyd, a New Jersey architect who specializes in public market architecture and the design of retail food businesses, and Orcutt Associates, a Portland area firm that understood local conditions. Boyd’s involvement began with the 1995 feasibility study, and he clearly understood both Spitzer’s approach and Noyce’s intent. For him, part of this meant “a great deal of emphasis . . . on using indigenous materials in keeping with Portland’s historic downtown buildings.” The 37,000 square-foot market utilizes a palette of locally produced brick, white pine decking, and Deer Isle granite, which is also found on the building exterior, plaza, and sidewalks.

The wood ceiling and intricate geometry of Douglas Fir timber trusses and rafters, sitting atop concrete columns, are intended to add warmth to the building and animate the high ceiling space, relating to a historic barn vernacular. Although the wood itself had to be imported from Oregon due to the lengths of trusses required, Maine timber framers, who pride themselves on their art, put the framing together. They insisted on pegged connections rather than nails throughout the timber elements. The Timber Framers’ Guild also participated. When more skilled help was needed, as many as 30 framers worked together at critical moments during the erection of the roof trusses. This community-wide craft effort is consistent with the barn raising models of construction from earlier centuries in Maine.

The building is located on an L-shaped site that slopes in two directions, presenting a considerable design challenge, particularly with respect to accessibility. Major doorways at three locations welcome visitors and customers approaching from different directions, and full-height glass windows on the exterior walls are intended to create maximum transparency between the interior and exterior. To accommodate the considerable slopes of the two L-segments and to keep them both fully accessible, the floor of the Market itself is subtly sloped, although the grade change is barely perceptible as one traverses the spaces. The two-story height of the market space creates an open, airy feeling, and allows balcony seating along two walls, giving seated customers a good view of the market activity below.
The most significant design challenge was to provide space and infrastructure for the extensive mechanical and electrical needs of the food vendors, including bread ovens, refrigeration, showcases, and illuminated displays. Boyd personally designed every tenant space, balancing the need to promote individual expression with efficient layouts and a high level of quality throughout. Individual vendor stalls line two sloping internal aisles on each of the building’s two wings. This configuration creates four islands that contain vendors selling produce, desserts, prepared food, cheeses, coffee, and flowers. Vendors with heavy cooking and refrigeration requirements, such as bakers, butchers, and seafood businesses, are located along the rear wall of the building, where their equipment won’t block sight lines and where it can be easily vented to a lower roof. Vendors with lighter back-of-house requirements, such as a dairy, wine shop, and specialty food store, occupy the spaces on the outer glass wall.

The building is intended to serve as a backdrop, with the major drama coming from the food presentation itself. Explains Boyd, “the arrangement and location of the individual vendors were carefully choreographed to accentuate the vendors’ visual strengths, theatrical opportunities for displays, and exposed preparation areas.” Food is displayed under halogen lighting on carefully designed refrigeration cases and display tables. Walking through the Market the sights and smells of food displayed or being prepared are compelling. The food and vendors are accessible, eager to tell the stories of their products. Ample seating contributes to the inviting character. A central fireplace, made from Deer Isle granite,
enhances the quality of the Market as a community-gathering place. Built-in granite benches surrounding the fireplace make the Market feel welcoming, particularly in a city with a long winter, harsh climate, and many gray overcast days.

Unfortunately, even though the Market is air-conditioned, the extensive use of glass results in excessive solar heating. Mechanized, retractable translucent shades, which can be lowered as needed, were installed several months after opening following problems with sunshine spoiling some foods and rising utility bills. Several compromises were also made in the design process. The architect wanted the building to have a copper roof, but feels that the less expensive metal selected works from a design perspective. Ironically, the price of copper has since decreased, making it almost as cost-effective as the material actually used.

Overall, the Selection Committee recognized the high quality of the Market’s architecture – one member made a pointed comparison to typical mall design – but did not feel that it was, on its own, as meritorious as the social programming that had gone into the building’s function.

**From the Street**

On the exterior of the building, specially designed metal canopies shelter the passerby from inclement weather and offer space for future outdoor vending. The transparency of the Market lends a glowing, warm light to the street at night, creating a kind of beacon in the neighborhood. The transparency is somewhat diminished, however, by the tall display spaces behind the counters of the stalls, which obscure large areas of window. Vendors are working to develop attractive window displays behind these cases, but at the time of our visit many of these displays had not yet been installed.

The City of Portland paid for sidewalk and street improvements around the Market, and the wide brick sidewalks, attractive street lights, and granite curbing reinforce the building’s design vocabulary while extending its welcome to the street. Across Preble Street there are a variety of businesses including a wine shop, a pub, and several offices, which benefit from the patronage of the market, while offering slightly different products. This extension of commercial activity reinforces the attraction and safety of the street.
Directly across from both the east and north sides of the Market are two parking garages. One is owned by the city, and is attractively designed in brick, complementing to some extent the design of the Market. The second, built by Mrs. Noyce, is less attractive in its design, but is connected by a skybridge to the Market. Both parking garages pose problems at the pedestrian level, inasmuch as they offer no opportunity for additional retail activity on the street. However, the latter garage does provide free parking and sheltered access for Market customers as well as one retail space for the dry cleaner relocated from the Market site.

The skybridge connecting the garage to the Market is the first such pedestrian bridge over a public right-of-way to be built in Maine. As such, State permit agencies had difficulty understanding it, and initially required it to be structured to accommodate motor vehicles. Eventually these design issues were settled, and a pedestrian-oriented design was developed. The development team initially opposed it, because one of their major goals was to activate the street with pedestrians. However, the skybridge, which the Foundation strongly supported, has proven to be an asset not only for the protection it provides from frequently inhospitable weather, but as an attraction in and of itself, offering a unique vantage point to view the city. It is designed to be consistent with the Market, with floor-to-ceiling glass, and a transparent quality echoing that of the Market itself.

The Selection Committee noted that the Market’s designers had “read their audience well.” By providing a well-lit market building and a skybridge entryway the building was welcoming to people who might be wary of shopping in a formerly run-down and perhaps even dangerous section of Portland.

VENDORS
The mix of vendors has been carefully, almost painstakingly selected by the management team to support the goal of an authentic market that helps sustain Maine’s endangered agricultural economy. Organic small farms are the only expanding segment of the Maine agricultural sector, and the Market promises to be a significant outlet for those producers. At the same time the Market provides economic opportunity, and in some cases support, for small start-up businesses that might not otherwise exist. In a larger sense, Spitzer hopes to assist in mainstreaming some of the goods produced by Maine farmers. As he explained, “We’ll know we have been successful when these kinds of products are carried at Shop ‘n’ Save.”

By the same token, there was a deliberate effort to avoid creating a market of prepared fast foods catering only to lunch-time diners. In addition to the producer-friendly lease structure, each vendor’s offerings are strictly regulated to avoid this sort of dynamic. There is a shared commitment among vendors and management to take the time to develop a broad-based clientele of regular, consistent, repeat customers. The vendor mix therefore includes seafood, dairy, meat, poultry, baked goods, specialty foods, and changing products on the day tables (rented out on a short-term basis). The broader selection offers visitors looking for snacks and meals a variety of products to eat on the premises, and a mix of food for home preparation. The Selection Committee affirmed management’s
The floor plan for the Market allows users to see several vendors at a glance.
choices, finding the resulting vendor mix to be “creative, purposeful, and principled.”

Spitzer’s previous experience had taught him that competition would increase the quality of the market and would ultimately benefit the vendors. Many vendors admitted that they were concerned about moving into a setting where others would be selling similar products in close proximity to their own. All have become convinced, however, that having “internal competition” of that kind draws more customers, and provides stimulus for keeping their own businesses and products fresh and competitive. Management also put forth a conscious effort to include both experienced retailers and start-ups, with the hope that the retailing neophytes could learn quickly by observing their more experienced counterparts.

The feeling of camaraderie and cooperation among the vendors was palpable. As they put it, they all either fail or succeed together. Most are careful not to encroach on each other’s product territory, and refer customers to each other for certain items. They also shop liberally from each other’s wares. All reported that they are generally happy with management. Monthly vendor meetings are focused on miscellaneous small issues, but no major disagreements with management seem to have emerged to date.

Vendors have attained a surprising degree of success in reaching their economic goals, sooner in many cases than projected. The Market opened on October of 1998, with many vendors frustrated by having missed the summer season due to construction delays, which caused some to lose food they had prepared for the postponed opening. Overall they enjoyed tremendous success during the holiday season, have experienced a slowdown in the winter months, but are experiencing increasing sales as the weather softens. Many have exceeded their second- and third-year projections already. All vendors were extremely hopeful about the summer season, with many of them increasing production. In general terms the relatively high square-foot lease cost (see Finances below) is compensated by the synergy among vendors and the customer volume brought in by the Market’s “one-stop shopping” appeal.

**Vendor Stories**

*Borealis Breads*

Borealis Breads, run by Jim Amaral, is one of the more visible and sizable vendors in the Market. Bread is baked on the premises, with “bread theater” visible to customers. Amaral says that on a slow day he has approximately 300 transactions, but at the holiday rush he reached 900-1,100 transactions per day. Borealis begins mixing, kneading, and rising the dough late at night so that the breads come out of the oven when the doors of the Market first open, permeating the building with the smell of fresh baking. “We’re open at 7 am to provide customers with a warm breakfast roll on their way to work,” Amaral says.

Owing to the success of his Market stall (projecting $600,000 in sales this year) and his interest in supporting Maine farmers, Amaral has contracted with several farmers in hard-pressed Aroostook
County to plant 40 acres of organic wheat for Borealis’ three bakeries. This is an historically significant step, as Aroostook was once the bread basket of the United States and has been losing farmland at a rapid rate. The success of this pilot wheat-growing program in its first year has led Amaral to greatly expand the effort. Part of his larger project is to explore the potential of revitalizing Maine’s once-thriving agricultural economy through specialty foods like organic wheat, grown using high-yield farming techniques. Wheat production is anticipated to be a ton an acre, or 70,000 pounds of wheat a year; excess crop not used by Borealis will be sold on the open market.

Smiling Hill Farm

Smiling Hill Farm has been in the Knight family for two centuries. Recently, because of its close proximity to Portland, development pressures have made it difficult to maintain the farm. Smiling Hill, in fact, is the only dairy farm left among hundreds that once operated in the vicinity. To keep the farm in operation, the family has turned to “agri-tourism,” offering an extensive petting farm and open barns to encourage families to come to the farm and watch the milk being made; opening an ice cream and sandwich shop; providing space for cross-country skiing; and introducing other revenue-producing efforts like a lumber yard, an on-farm
facility to bottle milk in glass containers, and an ice-creamery. Like Borealis and other vendors engaging in “food theater,” the Knight family believes that people want to be connected to the process of food creation and are interested in seeing and knowing where their food comes from.

In the Market, Smiling Hill provides a wide array of dairy products with its own signature flavor and richness. Although it has not yet achieved the profitability they projected, they are committed to remaining at the Market. They hope that the summer season will help them attain their market projections.

**Valley View Orchards Farm**

One of the big success stories of the Market is Valley View Orchards Farm. Originally apple farmers, the owners turned to pie baking as apple prices plummeted in response to increasingly cheap imports from South America. The family began with small local pie distribution, but then expanded as the pie business proved more successful than they had anticipated. In the first year they made 5,000 pies; in the second year, 15,000 pies; today they make up to 100,000 pies per year, which they sell wholesale and retail.

Valley View was interested in the Portland Public Market from the beginning. Business at the Portland Public Market has far exceeded their expectations, particularly during the holiday season – they were completely sold out for both Thanksgiving and Christmas. They stated that they could easily use double the space they have in the Market. During their first six months of operation, Valley View has exceeded its first-year goal of $8-$10,000 profit by 25%.

**Java Joe’s**

Java Joe’s sells gourmet coffees by the pound, brewed coffee, and espresso drinks, plus teas and chocolates. Joanna and Cory Morrissey, who founded their first coffee shop in the Old Port, have exceeded their three-year projections in the first six months of operation, averaging about 300 transactions a day at about $2.00 per transaction.

**Stone Soup Foods**

The Selection Committee felt that Stone Soup was one of the Market’s most interesting and important stories. Mark Swann, director of Preble Street Resource Center, has been involved in providing social services in the Bayside neighborhood for 25 years. When Spitzer first contacted Swann, Preble Street was running a soup kitchen serving 350 meals a day. Swann was pleasantly surprised by Spitzer’s commitment to incorporate the Center into the Market in a way that would provide job opportunities and would support the Center’s mission. The two soon agreed that the agency should expand their meals program with a retail soup shop in the Market. Stone Soup, which sells quality soups prepared by professional chefs, also serves as a training program for Preble Street clientele in the retail business. Job training includes a 12-week program offered through the Center, with two of those weeks on site at Stone Soup. Swann also noted that other vendors contribute to
his enterprise by giving them leftover food, bones, and other items that can be used in soups. In exchange, Stone Soup advertises those vendors and their ingredients.

As of April, 1999, Stone Soup is above its best case projections by 30%, and is profiting at a rate of about $1,000/month net. From this new base of operations they hope to add office catering, improve the retail component of their stand, and offer dried soup mixes. In addition, being in the Market has been great publicity for Preble Street. Annual giving has increased by 75%, attributable, Swann thinks, to their increased visibility. On opening day, for example, an impressed benefactor came to the Stone Soup counter and wrote Swann a $20,000 check for the Center.

Hanson Brothers Seafood

Local entrepreneur Brian Hanson is the owner of this seafood business, and also served as tenant coordinator during the construction process. He recruited Walter Compare from Pike Place Market to run his business in the Market, and has created a combination retail seafood stall and oyster bar cafe. Hanson Brothers has exceeded its projections for this point in the year, and hopes to double its sales this summer. Their stall and adjacent restaurant are highly visible, and shoppers are also attracted to their sophisticated displays, which feature a wide variety of dramatically presented fish and seafood.

Day Tables

The day tables, rented on a short-term basis, house both start-up vendors and past and present outdoor farmer’s market vendors. Although day table vendors concede that they do not enjoy the community and amenities of the long-term vendors – the marketing effort puts most of its emphasis on identifying and promoting long-term vendors – they do appreciate the invariably good table locations, the niceties of indoor life, and the helpfulness of other Market tenants. These tables allow a greater flexibility to the Market product mix, particularly in regard to seasonal products. Like the longer-term stalls, the lease structure for the day tables favors farmers and food producers over retailers and fast food vendors. In the first six months of the Market’s operation, over 60 individuals took advantage of the day table program. Some, such as two goat cheese producers, requested and were granted the same space for one day per week over a nine-month period.
PROGRAMS

The Market publicizes a wide variety of programs through its newsletter *The Crier*, its website, and more conventional advertising and public service announcements. Offered in the upstairs kitchen facility are cooking classes and the Cooking Club (nine meetings for $25), which features weekly discussions and cooking demonstrations on a different topic ranging from wine and cheese pairings to presentations on ethnic cuisine. The fall *Crier* advertised after-school children’s programs, such as teaching kids how to make bread wreaths and fruit pizza. Local chefs and restaurateurs join vendors in providing instruction. The newsletter also announces availability of day stalls, updates the foods being offered and featured according to the season, provides a calendar of topics and

Day tables are an important part of the life of the Market.

Cooking classes are educational and help promote market vendors.
chefs for upcoming cooking classes, offers brief biographies of guest chefs, and publicizes the availability of the Market for private and public events.

Beyond food-related events, the program agenda includes a Sunday music series in the Market and a “News from the Market” section in The Crier that tracks activities in the Market and in downtown Portland. The fall issue, for example, advertised the city’s “Halloween Downtown” parade. This kind of outreach underscores and strengthens the secondary agenda of the Market: to be an important gathering space for residents of the Portland area, and to bring together different segments of the population in an ongoing effort to build and strengthen community.

FINANCING

Building Costs

The lion’s share of the capital for the project came from Elizabeth Noyce and the Libra Foundation, but vendors and the City of Portland have also contributed, vendors to the tune of $1.1 million for stall improvements and equipment, and the City adding $250,000 in streetscape improvements including sidewalks, streetlamps, and crosswalks. Noyce contributed the land and nearly $9 million for construction and site work including the remediation of contaminated soils (see table below). Because of the percentage of gross sales component of each vendor’s lease, the Libra Foundation could see a financial return if sales are high. One other player in the financing has been Coastal Enterprises, a nonprofit community development agency that helped finance several Market ventures. The agency funded Doug Ewart’s “Out of the Blue” value-added seafood venture, for example, which sold salmon, scallop, and lobster sausages from a day table and then as a supplier to a permanent Market vendor.

BUILDING COST

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<th>LAND ACQUISITION</th>
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Building the Market cost significantly more than Spitzer’s original projections (see table above), partly as the result of three major plan changes. First, the square footage was expanded into portions of the parking lot of the nearby public library to provide more “back stage” space for storage, kitchens, and so forth. Then air conditioning, which had initially been cut from the project as an economy move, was brought back in with modified rooftop units. Finally, the parking garage was connected to the Market by an enclosed skybridge to help offset customers’ dislike of parking garages. (The skybridge is now the most used entrance to the Market.)

Vendor Leases

The Selection Committee was particularly impressed with the lease system for vendors, which was based on Spitzer’s studies of other public markets. The lease lengths were determined in large part by the tenant’s investment in equipment and fit-out and his or her previous retailing experience. The fit-out for farmers’ stalls was subsidized to encourage participation. Lease structures also favor farmers and producer-prepared foods over ordinary retail (see table below). Together, these rental structures help create incentives for vendors to do well while serving as an incubator protecting those still faring poorly. They also contribute to a robust organizational structure that the Selection Committee felt stood a good chance of maintaining its values if and when the Market undergoes further changes in leadership.

Unlike some public markets, the lease rate system is fairly simple, consisting of three parts: a common area maintenance (CAM) charge; a base rent or a 4-8% portion of gross sales, whichever is higher; and a share of parking expenses. The average rent is approximately $2,000 per month, or up to $40 per net square foot, as compared to about $25 per gross square foot in Old Port. Both management and vendors anticipate that the relatively high square-foot rent will be offset by high volumes and synergies with other vendors.

To keep track of gross sales, all of the permanent vendors are tied together in a central point-of-sale system. This system not only removes any incentive to misrepresent sales, but also provides an excellent base of data about sales patterns for the Market as a whole. Market management uses this information as an early warning system to determine if one vendor is falling behind relative to others and also shares the data with the tenants so they can have points of comparison for their own analysis. Unlike any other public market, the centralized POS system gives management an accurate “pulse” of the Market as a whole.

The universal point-of-sale cash register system has already been helpful in this regard during the summer. By closely watching each vendor’s sales levels and rents, it became clear that rents were higher, as a percentage of gross sales, than Spitzer felt was sustainable for the vendors. Based on this analysis, the Market decided to lower CAM charges for a period of 12 months. This decision effectively lowered rents, which were averaging about 10% of gross sales, to about 8.5%, which had been the original target. Daytable rates have also been lowered, in some cases by a full 50% (see table below). Spitzer plans to monitor these levels continually.
Revenue

The Market itself is not yet expected to turn a profit, but Wells hopes it will be self-sufficient after a few years of operation. First year gross sales for all Market vendors exceeded sales goals of $6 million, with more than half the vendors surpassing their initial sales estimates, some by a factor of three. After a slow start, weekly sales had nearly reached the level of the grand opening by the end of the summer. Ironically, the slow start may have been due to exceptionally good summer weather. As one Market farmer put it, “I thought I was getting out of the weather business!” Additionally, although sales were good, all vendors continued to struggle with the lack of available labor in the region, a situation that has driven up wages and production costs. Nonetheless, only two out of the 21 original permanent vendors decided to leave the Market, and those two were replaced by five new businesses, leaving a year-end total of 24 vendors.

The feasibility study estimated that the Market should be capable of achieving $10 million in sales in a mature environment. Total operating costs are running at about $720,000 per year. An extensive customer survey undertaken in 1999 reveals the accuracy of Spitzer’s initial feasibility study. In particular, the importance of customers from the ring within 30 minutes of downtown Portland became very clear. As predicted, tourists have represented about 15% of the customers since opening.
THE MARKET AND THE CITY OF PORTLAND

The City of Portland played a relatively minor role in the development of the Market, but had been working hard at creating mechanisms for encouraging commercial development in the downtown. Low-interest loans for commercial and retail venues, a $1.2 million package to bring the Maine College of Art to the Porteous Department Store space, and other incentives contributed to creating an atmosphere conducive to development. The Portland Public Market, while not part of the City’s arts corridor and Old Port plans, enhanced the City’s efforts by connecting the two ends of the downtown spine with a central destination.

Although the City was cooperative on the various approvals required by the Market, many officials were concerned about traffic, and shared the general skepticism about the Market’s chances for success. Those reservations notwithstanding, however, the City was supportive of the Market, investing $250,000 in sidewalk improvements and lighting around the building. Additionally, the Downtown Business Improvement District provided a subtle subsidy by extending its snow and trash removal and cleaning services beyond its existing boundaries to the Market. The District is a private organization supported by assessments to business and property owners. Its contribution of services is a significant boost to the Market, and life in the Market adds to the vitality of the District.

IMPACT ON THE CITY

Thirty years ago, says Sam Ladd of the Maine Bank & Trust, Portland’s downtown was alive and well; ten years ago it was a wasteland. While the Public Market cannot take all the credit for a more recent turnaround, which began with Noyce’s other philanthropic ventures in the city center, the project has clearly been kind to the city. In the early 1990s, vacancy rates in office buildings ranged from 40% to 90%. “Old Port,” the tourist area, basically drove what remained of the city, and the Congress Street area proved unable to draw any activity. Recovery began as Noyce purchased buildings near Monument Square, and by 1996 the downtown had achieved an 86% occupancy rate. Even so, John Costa of L.L. Bean remembers the early days when Congress Street attracted panhandlers and shoplifters along with shoppers. Now, he reports, the street is lively, he has days at 50% over the daily budget, and business overall has improved 10%. He attributes these gains to the draw of the Market, which brings 10-15,000 people per week to the downtown.

The Market has been a boon in any number of other ways as well. Ladd notes that conditions on Preble Street were “awful” before the new development, basically just an empty parking lot and vacant buildings. The Market spurred the City to invest money in improving the streetscapes around Preble Street. A flower garden in Mrs. Noyce’s memory has been installed on Preble directly behind the Maine Bank & Trust. At the commercial level, businesses are
moving back into the area at a rapid pace; for example, a wine merchant and mortgage facility have located across Preble Street in renovated buildings. And at the cultural level, the Market has augmented and is helping extend the arts district. It helps connect the district to the Old Port tourist center and helps make it unique by adding what vendors variously call “food theater” and “bread art” – which is to say, not just food for sale but educational “performances” on where the food comes from, highlighting Maine’s agricultural tradition. The Museum Director says the Market has also spurred a 15% rise in attendance at the Portland Museum of Art, already one of the nation’s highest per-capita membership museums.

The Market, in sum, has accelerated and intensified a general recovery aided by Noyce’s philanthropic activities. It has brought activity, commerce, and excitement back to the downtown, increasing traffic enormously and spurring the formation of a neighborhood association and what former Portland Mayor George Campbell calls a “sense of community and constituency” in the previously moribund Bayside neighborhood. The neighborhood association has reactivated and is now focusing its energies on the proposed sports and entertainment center (on land donated by the Libra Foundation). It also tries to fend off gentrification, prevent dislocation of agencies and elderly residents, and ensure that any demolished housing stock will be replaced. In general, as one vendor put it, Bayside has become the “hot new area in town,” a “good place to take a gamble.”

FUTURE PLANS
The Portland Public Market is still a relatively young project. It has been in operation only since October 1998 and had not at the time of our visit experienced a summer’s growing season and tourist trade. Plans for the immediate future are therefore still focused on full implementation of original goals. Management is working to increase visibility and patronage by “getting the word out,” working with tourist agencies to incorporate the Market on tourist routes, and working with vendors to improve the marketing and display of

The Market’s L-shaped plan gives it street frontage on three sides with good daylight at all hours.
their food. The Market is relatively free from economic pressure as it is only expected to break even on operating costs. Profit above and beyond this reverts to the Libra Foundation.

In the next year the Market will build out the remaining unfinished space at the far end of the building, just below the management office. This space is designated for restaurant use, and will provide an anchor at the opposite end of the Market from Hanson Brothers’ Seafood Cafe. Because there is already a seating area in this corner of the market, and a specialty Italian food vendor nearby, a restaurant will further enliven the area and provide balanced restaurant destinations at either end of the L-shaped space.

ASSESSING PROJECT SUCCESS

HOW WELL PROJECT MEETS ITS OWN GOALS

- To help revitalize downtown Portland by creating a magnet that will attract individuals and families from throughout the region, downtown workers, and tourists, and thereby strengthen center city retail.

The Market has made a promising start on this goal, with nearby buildings being restored and put to use, many customers coming to the market, and an aura of excitement and optimism taking hold of the downtown area. The strengthening of Portland’s “spine” promises to aid in the success of future revitalization efforts like the Civic Center. As most vendors concede, it is still too soon to tell how steady business will be once the novelty wears off, but the project has been very carefully planned and well executed. At this point, it appears to be headed in the right direction.

- To provide economic opportunity for small business people.

Because of the lease structure and the Market’s outreach programs, more than two-thirds of the vendors are farmers or food producers. All are locally owned family businesses. Even though the success rate of these ventures cannot yet be ascertained, there can be no doubt that opportunities have been provided; as one vendor opined, “success is up to us; if it works, it will be because we did it right.”
To expand on the success of the existing farmers market and thereby strengthen agriculture in the region.

While it is not yet clear what impact the Market has had on Maine’s agriculture, it has at the very least provided a compelling model for struggling small farmers to follow as they try to bring the state’s farming industry back from the brink of collapse. It has been particularly important as an example of vertical integration and specialty marketing, a key strategy for relatively small-scale producers with high production costs. It has also helped highlight the state program to encourage residents to buy locally. Finally, outdoor farmers’ market vendors have seen increased traffic.

To create a place where people from Portland’s various social and ethnic groups mix freely and where the region’s multi-ethnic food and agricultural traditions are celebrated.

Although it is difficult to get a grasp of Portland’s “various social and ethnic groups,” all indications are that this goal is being met. Mark Swann remarks that Preble Street clients can be seen “shopping and grazing” through the market (which is dotted with inviting free samples). Graphics celebrate Maine agricultural traditions, and a good many vendors engage in “food theater” by dramatizing the origins of the food they are selling. As Smiling Hill Farm vendor Roger Knight explains, “We are attractive to customers who want to be closer to the food chain.”

OTHER MEASURES OF SUCCESS

Adaptability / Replicability

The Portland Public Market represents yet another successful application of the flexible public market template. This has been, in part, the result of Spitzer’s long experience and skills in market development – and certainly has been aided by Spitzer’s inclusive leadership style – but it also reflects the basic utility of the public market concept. The idea has already been proven to work in other locales, adapting to a variety of local conditions and designed to meet a wide range of local needs. The Rudy Bruner Award’s own archives reflect the value of the public market concept; Seattle’s Pike Place Market was selected as the 1987 Gold Medal Winner, and New York’s Greenmarket was a 1991 Silver Medalist (See “For Further Information” below). Pike Place Market, in particular, has been an important prototype for efforts in other cities, and many Pike Place innovations can be found in the Portland Market.

Values Reflected in Development Process

Economic development through private philanthropy has clearly been the central value of this project. The process involves money coming almost entirely from a single private philanthropist, and design and construction coming from professional architects, engineers, and construction managers. However, the commitment to include local materials and craftsmen and to revitalize local and regional economies – in particular, the downtown and small family farms – has given the process a distinct identity.
Like many Rudy Bruner Award winners, its successes have come from balancing what may appear to be inhospitable elements: the needs of small farmers; the needs of economically disadvantaged residents of the central city; the needs of grocery shoppers; and the desires of tourists. The vision behind this successful balancing is one that sees the complementary possibilities of different constituencies, hoping that together they can overcome a wide array of problems not amenable to individual solutions.

Overall, the Selection Committee was impressed by the Market, recognizing its financial competence, its social values, its attractiveness as a shopping destination, and its contribution to downtown revitalization. They also, however, recognized that the project had a significant head start over most urban interventions because of the philanthropy of Elizabeth Noyce. Thus, while the Selection Committee lauded the Market for its successes, they felt that the project had not had to overcome many common obstacles to development, thus creating a question about how useful a model Portland’s experience can be. Nonetheless, as one Committee member noted, the amount of money involved was relatively small in relation to the significant impact the Market has had on Portland. Lack of a wealthy philanthropist should not be an insurmountable obstacle for other cities interested in creating a public market, and its commitment to the local and regional economy remain impressive.

**FOR FURTHER INFORMATION**


**Related Rudy Bruner Award Winners**

(For a full bibliographic cites, please see Introduction)

**Pike Place Market, Seattle** (1987 cycle). The complexity of goods and services, the mixture of merchants and farmers, the co-existence of boutiques and second-hand stores, and the democratic processes that created a living community out of a public market.

**Greenmarket, New York City** (1991 cycle). A system of more than a dozen New York City farmer’s markets that helped revive Union Square, created a warm, sociable neighborhood, and supported the survival of the small, family-owned New York farm.
Contact
Portland Public Market
Ted Spitzer, Director
25 Preble Street, Suite 200
Portland, ME 04101
Phone: 207-228-2004
Web: http://www.portlandmarket.com/