

39. Pike Place Market, Seattle, United States



Photo Credit⁸⁵

Background

In the late 1960s, the citizen head responsible for urban renewal plans decided to modernize the Pike Place Market in Seattle. To this end, a group called Friends of the Market called for a vote on the plan to save the market in 1971, leading to the establishment of the Pike Place Market Preservation and Development Authority (PDA) in 1973.

Project Structure

PDA is a non-profit, public company chartered by Seattle City in 1973 with a mandate to manage 80 percent of the properties in the nine-acre Market Historic District. PDA also acts as an oversight body responsible for the long-term development of the market, with the aim of ensuring that the market would remain a place that welcomed everyone, residents and visitors, regardless of their background. The PDA council members are appointed by the mayor, while a separate, non-profit entity, the Pike Place Market Foundation, was established to provide funding and oversee community organizing, coordination, and support. While the PDA acts as a public steward responsible for all operational funds, the Market Foundation is responsible for devising fundraising strategies and actually fundraising for the project.

The project includes a nine-acre complex comprising a public market, more than 500 units of rental housing - mostly for low- and moderate-income residents, luxury condos, a boutique hotel, a bed-and-breakfast, a children's day-care and pre-school, a community health clinic, a food bank, and a neighborhood senior center.

The project derives its core revenue from the market tenants through rents, utility fees, and other property management activities, including parking fees (collectively accounting for approximately 60 percent of the total revenue), as well as other investments and bonds (around 40 percent of the total revenue). The market's operation and

maintenance costs (including security, insurance, property management, and marketing) are sourced from the revenues obtained from the rental income. Any revenue surplus and revenues coming from bonds are used to fund new developments – helping to make the project sustainable in the long term.

Lessons Learned

This project has had some demonstrated success as a small business incubator, in addition to helping connect local farmers to consumers, providing social services and affordable housing, and preserving historic buildings. The market remains a popular tourist destination for the city. The project received the Rudy Bruner gold medal for Urban Excellence in 1987.

The project faced some challenges in its initial phase, including with generating support from the community for a 40-year development scheme, securing funding, and managing the incremental renovation and rehabilitation of properties. The project benefited from its long-term property ownership structure, clear vision and goals, advanced financing mechanisms, and innovations in community involvement.

Recently, the project has been expanded to include a public plaza connecting the market with the central waterfront, a food hall with four new producer-based businesses, 40-units of low-income senior housing, a community center, and 300 additional parking spaces. The expansion was fully financed by issuing USD 26 million in bonds, a portion of which was used to pay down existing debt.⁸⁶

⁸⁵ Mtaylor444 (https://commons.wikimedia.org/wiki/File:Pike_Place_Market_Entrance.JPG), „Pike Place Market Entrance“, <https://creativecommons.org/licenses/by-sa/3.0/legalcode>

⁸⁶ Niua. 2019. “The Economy of Public Markets: Case Study of Pike Place Market, Seattle.” Smart City Lab. Accessed June 20, 2019. <https://cidco-smartcity.niua.org/the-economy-of-public-markets-case-study-of-pike-place-market-seattle/>;

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