

New  
Maxwell  
Street  
Market:

**Its Present And Future**

**A Report by the Maxwell Street Foundation  
Supported by a generous grant from The Chicago Community Trust**

**Author: Alfonso Morales, Ph.D.**

New  
Maxwell  
Street  
Market:

**Its Present And Future**

**A Report by the Maxwell Street Foundation  
Supported by a generous grant from The Chicago Community Trust**

**Author: Alfonso Morales, Ph.D.**

**Maxwell Street Foundation  
P.O. Box 6435  
Evanston, IL 60204**

**[info@maxwellstreet.org](mailto:info@maxwellstreet.org)**

**Copyright © 2006, Maxwell Street Foundation**

## - Table of Contents -

Background of the New Maxwell Street Market (NMSM) .....	1
A Note On The Maxwell Street Foundation .....	3
Introduction To The Report .....	4
Methods.....	5
— Part I — The NMSM In The Eyes Of The Merchants: Benefits, Problems and Suggestions. ....	6
A. Benefits Produced by Merchants of the NMSM. ....	6
1. New Businesses Created at the Market.....	6
2. Formal and Informal Education Fostered at the Market.....	8
3. Earned Income Invested in a Community Service Organization.....	9
B. Improvements Vendors Recognize at the NMSM.....	10
C. Vendor Criticisms and Suggestions for Improvements at NMSM.....	10
1. Security and Cleanliness.....	11
2. Business Diversity .....	11
3. Vending Spaces and Vending Licenses .....	12
4. Market Size, Governance and Visibility .....	13
D. Bringing The Vendors In.....	14
— Part II — Governance Options for the New Maxwell Street Market.....	15
A. Governing Public Markets: Five Markets .....	15
1. The Indianapolis City Market.....	15
2. The Reading Terminal Market in Philadelphia.....	16
3. The Dane County Farmers Market in Madison, Wisconsin. ....	17
4. The Pike Place Market in Seattle.....	17
5. The State Street Commission in Chicago. ....	17

B. Ideas for Governance of NMSM .....	18
1. Non-profit Management.....	18
2. Establishing a Board .....	19
— Part III — Recommendations.....	21
A. Ideas To Keep in Mind .....	21
B. Suggestions for Further Research.....	22
References.....	24
Credits: .....	25

# Background of the New Maxwell Street Market (NMSM)

---

**The Maxwell Street Market** began as a collection of small street markets in immigrant neighborhoods south and west of the Loop. After the 1871 fire, street market activity arose around the intersection of Canal Street and 12th Street (Roosevelt Road). In time, a trolley line on Jefferson Street drew peddlers there, and the outdoor market along Jefferson Street became very large. As that became too congested, the peddling traffic flowed from Jefferson onto Maxwell Street. In 1912, the Chicago City Council passed an ordinance designating the Maxwell Street Market as an official marketplace for the city's people.

Over the years, many business entrepreneurs were born and raised there, or developed their businesses there. The market's many merchants, merchandise and crowds created a character unique to Maxwell Street. It was an Old World market transplanted into the ethnic mix of Chicago, engendering new fashions, music and other cultural expressions. Its distinctive atmosphere became known worldwide. The market drew people from neighborhoods across the city, offering them a wide range of affordable goods. Many vendors became successful business leaders, making significant contributions to the city and the nation through their innovations, ingenuity and resourcefulness.

Although the geographic boundaries of the marketplace shifted over time, its basic structure of informal bartering and discount shopping endured for decades. Some merchants who began as peddlers on Maxwell Street moved into permanent shops along Halsted Street during the 1920s. A few of their shops' fine façades may still be seen in the area today. In the 1950s the city cleared the market area east of Union Street, in a large redevelopment that opened a path for the Dan Ryan expressway. This caused the street market to migrate further west. It remained on Maxwell and several small adjoining streets, and gradually spread over an area along the west side of Halsted Street.

The market remained in the Maxwell/Halsted area until its removal in 1994, when it was relocated five blocks east to Canal Street. This move came about by city council ordinance, to make way for the South Campus expansion of the University of Illinois at Chicago. It was a traumatic moment when the historic market was nearly lost. Thanks to the dedicated efforts of some city staff and civic leaders, and the vendors themselves, the market survived this difficult transition. The city opened the New Maxwell Street Market along Canal Street on September 4, 1994. A good number of vendors from the original location took up spaces in the new.

Today the New Maxwell Street Market hosts about 400 vendors and thousands of shoppers every Sunday throughout the year. It straddles both sides of Roosevelt Road, from Taylor Street down to the railroad viaduct at 16<sup>th</sup> Street. Its location, however, remains impermanent, as new commercial development raises land values in the area. The city intends to relocate the market three blocks west to Des Plaines Street in the summer or fall of 2007. The new location, along Des Plaines for several blocks north of Roosevelt Road, will keep the market close to its birthplace of more than 130 years ago.

# A Note On The Maxwell Street Foundation

---

**The Maxwell Street Foundation (MSF)** seeks to preserve and interpret the history of the Maxwell Street Market for present and future generations. MSF became incorporated as a not-for-profit Illinois 501(c)(3) corporation in 1994, under its original name Maxwell Street Museum Project. The group later reorganized as Maxwell Street Historic Preservation Coalition. It changed to Maxwell Street Foundation in 2004.

During the 1990s, MSF led efforts to create a National Historic District in the Maxwell/Halsted area. Thanks in part to its efforts, some of the original commercial buildings and distinctive façades were preserved during the area’s redevelopment. More recently MSF sponsored many cultural activities, including the production of a book *Chicago’s Maxwell Street* (Arcadia Press, 2002), an original theater piece “And This Was Free,” and an impressive photographic portfolio, “The Maxwell Street Collection.”

MSF strongly supports the historic market’s living legacy in the New Maxwell Street Market. The new market is a link to the past and a bright hope for the future, as it continues the vitality and entrepreneurial spirit of the original market. Maxwell Street long offered a low-cost entry into business start-up and development. The new market performs that important function today for a new generation of immigrants and aspiring entrepreneurs. Moreover, it offers an important shopping venue for people in Chicago and throughout the metropolitan region. For these reasons, MSF is committed to advocacy for the new market’s well-being and continuation.

# Introduction To The Report

---

**This report demonstrates** the enduring economic and social value of the New Maxwell Street Market (NMSM). The report is composed of three parts.

The first part of the report is organized around three themes:

1. The NMSM as a business incubator and provider of various benefits.
2. Vendors' observations of what works well and not so well at the market.
3. Vendors' suggestions for improvements.

The second part of the report examines the governance of successful open-air markets in various U.S. cities. It suggests ways to strengthen governance of the New Maxwell Street Market in order to ensure the market's long-term continuation.

The third part of the report – recommendations – is based on the research and writing of Alfonso Morales, Ph.D., Visiting Assistant Professor of Sociology at the University of Wisconsin, Madison.

The Maxwell Street Foundation retained Professor Morales to undertake the research for this report. Professor Morales was a vendor at the old market during the late '80s and early '90s, where he made important observations for his doctoral research and subsequent dissertation. He brought tremendous experience and expertise to this report.

The Maxwell Street Foundation will submit this report to the City of Chicago, civic leaders, market vendors and all others who share interest in the New Maxwell Street Market. It is hoped that the report provides knowledge and informs dialogue on the market's future. Such dialogue is especially critical now, as the city prepares for another relocation of the market in 2007. The relocation offers an excellent opportunity to consider again the market's status, its service to the city's people and its future possibilities. With good planning, it may well become an even more useful instrument for economic development in Chicago.

---

**Research, writing and printing of this report was made possible by a generous grant from The Chicago Community Trust.**

# Methods

---

**For Part I of this report,** Professor Morales conducted guided interviews with 17 vendors of various backgrounds. Interviewees were representative of vendors across ethnicity, gender and merchant type. Some of the vendors interviewed had long association with the market, having moved with the market from Maxwell/Halsted to Canal Street. Others began their vending careers at NMSM on Canal Street.

Interviews were held by e-mail, phone or in person during the summer of 2005. Interview questions prompted respondents to describe the benefits they have gained from vending, either for themselves or for others. Questions also prompted them to describe the market's various qualities, to evaluate those qualities and to provide suggestions for improvement. All content in Part I of this report is limited to items that were discussed by at least four vendors.

For Part II of this report, Professor Morales conducted interviews with professionals who manage large city markets. The interviews provided information for brief reports on management structures of five city markets. These examples from other markets suggest ideas for management of NMSM. They offer discussion points for further dialogue on market organization and management.

Part III contains Professor Morales' own thoughts and recommendations for market management. These are derived from his current observations and from his long experience and study of public markets. This part casts light on some key concerns now facing NMSM, in anticipation of its relocation in 2007. The recommendations should prove useful for city officials, for vendors and for members of any new governing board that may be created.

This report is based on rigorous research yet it does not claim to represent the views of all market vendors or market managers. Instead, the report focuses attention on the issues considered important by a carefully selected sample of vendors and managers. The sampling was as wide as time and resources permitted. It provides a good basis of knowledge about current conditions and future possibilities for the New Maxwell Street Market.

Further research should include an in-depth assessment of the market's economic impacts. It should direct attention to the market's users, to the crowds of customers that go there on Sundays. Their needs and their motives for spending money at NMSM must be better understood. Suggestions for further research appear in a final section.

All interviewees were guaranteed confidentiality. However, some were willing to make their experience public and their names appear throughout the report.

# — Part I —

## The NMSM In The Eyes Of The Merchants: Benefits, Problems and Suggestions.

---

**This part of the report** describes the benefits that merchants provide to the city and metropolitan region. Vendors review what works well at the NMSM, describe problems they face and suggest ways to deal with these problems.

### *A. Benefits Produced by Merchants of the NMSM.*

**The Market creates** an intense engagement between merchants and shoppers. This engagement produces a number of benefits for the city of Chicago and for the entire metropolitan region. For instance, it is well known that the Market supplies a wide range of inexpensive consumer goods.

Yet beyond this purely economic function, the Market plays an important social role. It becomes a teacher and a benefactor in numerous and sometimes hidden ways. It teaches lessons of entrepreneurship and small business development. It provides social benefits by joining the spirit of business to the spirit of philanthropy.

This section casts some light on three market benefits: first, the Market's power to incubate new businesses; second, the Market's support of formal and informal educational opportunities; third, merchants' use of income and knowledge gained from the Market to create a social service organization. The report illustrates these benefits by way of a few examples.<sup>1</sup>

#### 1. New Businesses Created at the Market.

**The Maxwell Street Market is famous** for the businesses inspired and started there. The Ronco Company, Nabisco, Vienna Beef and other familiar brands have roots in the old market. Yet the tradition continues at NMSM. New businesses begin there, grow, and even take root in other parts of the city and region. The new Market's power to generate

---

<sup>1</sup> A fuller survey that amplifies this discussion is found in Morales, Balkin and Persky 1995.

businesses becomes apparent from just a few examples. The examples include merchants who began and remain at the Market, but whose business interests have transcended the NMSM.

- Everardo Reyes started an outdoor restaurant at the NMSM. He and six employees work every Sunday, using existing family restaurants to do the prep work. Reyes is using income from his NMSM restaurant to establish a new Mexican restaurant elsewhere in the city.
- Jane Santi's spice business, *Let's Spice It Up*, began at the old Maxwell Street Market and continues at the new. It now supports a storefront in Highwood, Illinois, a web-based business, and farmers' market outlets in Wisconsin, Illinois and Indiana. Santi employs 5-7 people depending on season. She has learned a lot about business planning and the need for flexibility to meet expected and unexpected business fluctuations.
- Lupe Barrios vended at the Market for more than 30 years. While a vendor she became a real estate agent and practiced both businesses. Recently she quit vending, merged her real estate business with that of her brother, and established a combined financial services/real estate business. Though she no longer vends, she acknowledges that the Market provided her with the income to acquire an education and establish a new business.
- Joseph Bey took up vending while managing a pharmacy. Ten years ago he dropped the pharmacy job and created his own real estate firm, supporting himself during the transition by his income earned as a vendor. He continues to vend at NMSM, selling music tapes and other small consumer goods.
- Darrick Hardy coached wrestling at Chicago State University for several years, even while selling toiletries at the Market. When the wrestling program was cancelled he used his income from vending to establish a laundromat business. Hardy's experience, from more than 40 years of vending, made him a believer in the Market. He says that, "even when it was hard, I learned everything I know about business from vending in the Market. I learned about hard work, entrepreneurship and taking risks."
- Harrison Smith enjoys more than 40 years experience vending at the Market, first selling apparel, later selling used tools and bicycles. He used vending income to create a property development business that buys and rehabilitates residential buildings on the city's south side. The many properties he owns today would not have been possible without his hard-earned income from vending. Smith is humble and matter-of-fact about how vending contributed to his business. He says, "What I learned in vending is honesty. If you're honest, people will return favors and come back to you."
- Joe Principe is a certified locksmith who does business on the city's west side, but also cuts keys at the Market for extra income.

- Tino Gonzalez sells custom t-shirts at the Market. His business serves many customers throughout the city, but he specializes in souvenir t-shirts at NMSM.<sup>2</sup>

These merchants use abilities, experience and lessons learned in vending to create new businesses and reinforce their existing businesses. In some cases they begin at the Market and expand to other locations, transferring business skills learned at the Market into new entrepreneurial efforts throughout the metropolitan region. In other cases, vendors enter the Market to find an important outlet for their existing businesses, with the Market becoming a niche alternative to their regular day-to-day operations.

The few examples given above indicate that entrepreneurship is alive and well at NMSM. These vendors and others like them follow a great Maxwell Street Market tradition by incubating new businesses. Not all new businesses succeed, of course, but these merchants all confirm that the Market taught them valuable business lessons and kindled their entrepreneurial spirit.

## 2. Formal and Informal Education Fostered at the Market

**Merchants invest in more** than their businesses. They invest time and income in human resources. Vending at NMSM promotes acquisition of life skills and enhanced educational opportunities. The income that vendors earn subsidizes formal education for themselves and for their families. Indeed, earnings from the market have supported educational advancement across generations.

The Barrios family provides an instructive example. The family migrated from Mexico to Chicago in the early 1960s. The family's income from vending subsidized post-secondary education for all four children. One child is in the process of earning a PhD, another received a JD, while the other two also earned professional credentials. Felix Barrios believes that the Market is central to providing a livelihood for his family. As he says, "Vending has meant life for us, education for our kids, the purchase of buildings, a store, vacations...and that's what we know (other) people are doing for their families."

Systematic research would find this example multiplied many times over, among members of all ethnic groups.<sup>3</sup> Indeed, current research shows the central role the Market plays in realizing many families' plans for education and economic mobility.<sup>4</sup> Investment in children's education is common. Vendors who are parents often subsidize their children's attendance in parochial schools, as well as technical and vocational schools and universities. Vendors invest in themselves as well, earning undergraduate and graduate degrees that are paid (at least in part) with income earned at the Market.

Of course, merchants and their children also gain from the informal education that they pick up at the Market. Vending at NMSM gives valuable life lessons. Again, the

---

<sup>2</sup> See Internet – <http://www.tinostshirts.com>

<sup>3</sup> See Grossman 2000, for additional anecdotes.

<sup>4</sup> See Morales, *Making The Market* (book manuscript in preparation).

Barrios family gives an example. All four Barrios children had their own businesses at the Market. Their youngest daughter, Lynda Cabrales, is now completing her PhD in Agricultural Engineering at the University of Illinois at Champaign-Urbana. She speaks appreciatively of the lessons learned from her days vending:

[Vending] taught me about teamwork, communication and good old-fashioned common sense. It gave me a lot of business sense. In my professional work, I'm often perceived as 'not your typical engineer.' I believe the qualities that make me stand out and have helped me to achieve my goals were the fundamental lessons I learned at Maxwell Street Market. I knew in my heart that if I could get up at 3 a.m., in snow, rain or shine, and put in a 12-16 hour day of hard labor, then I could definitely achieve anything I set my mind to.

Clearly, the persistence that merchants learn, their ability to get along with others, to plan yet be flexible, and to work hard, are important lessons that extend into other parts of their lives.

This informal learning extends into the merchants' social relations. The Market allows people of different religions, classes, and ethnicities to meet in a festive environment. It exposes them to each other's food, music, merchandise and interpersonal style. In this environment, vendors learn from each other and even emulate business and cultural practices.

In sum, NMSM creates an environment for the comprehensive education of character, endowing people with business skills and human skills even while it provides them the money to pay for more formal education.

### 3. Earned Income Invested in a Community Service Organization

**Besides fostering formal education** and business skills, the Market supports philanthropic activities that directly benefit the larger community. A good example comes from the Hardy family. The family lived in the Maxwell Street area, took up vending in the early 1960s, and continued to vend after they moved to Ford Heights, Illinois in 1970. Family members eventually created a social service organization subsidized by their income from the Market.

The F.U.T.U.R.E. Foundation in Ford Heights began as a vision for youth services.<sup>5</sup> Over the years, the family observed a decline in the quality of life they enjoyed growing up in the Ford Heights community. Three Hardy brothers, Derrick, Emir and Horace determined to intervene. With support from their family, they invested hundreds of hours and tens of thousands of dollars in purchasing and rehabilitating a building to house a not-for-profit social service agency. The agency opened in 1990 and since then has grown to a million-dollar-a-year organization.

---

<sup>5</sup> See Internet - <http://www.future-foundation.org/index.php>

The Hardy's vending businesses were central to realizing their plans. Horace Hardy puts the matter plainly:

It was my hustle, my hard work, my business that allowed me to invest time and material in this building (in Ford Heights), and in this organization and community. It's what I wanted to do. Sure I could've done other things with the income, but we put it into the community.

Horace and his brothers used their businesses savvy and the persistence learned by vending to establish and grow this community service organization. The family directs much of its effort to youth development. As Emir Hardy, the Foundation's executive director, stated, "Adults in every community are responsible for ensuring the development of the young. F.U.T.U.R.E. Foundation became a vehicle to generate resources necessary to respond to youth needs in our village."

The brothers could not have created the organization without the income from vending at the Market. Emir is clear about the financial role of the Market:

[Vending] allowed me to work at the organization full time, without a salary, for eight years. Because I did so well at the Market, I paid my bills and still found the latitude to do this charitable work. Today I draw a salary, but I could not have grown the services without the income I earned at the Market.

While the Hardy family case is not typical, it is indicative of merchants' social concerns and the commitments they make to philanthropy. Merchants are in business to be their own boss, yet they also do business to realize other goals which, in turn, produce benefits for the city and the metropolitan region.

### *B. Improvements Vendors Recognize at the NMSM*

**Merchants recognize a variety** of improvements in the Market since its relocation to Canal Street. They also indicate that the Market has room for improvement in a number of ways. This section briefly reports merchants' praise for improvements at NMSM, while the following section reports on merchants' suggestions for the Market.

Merchants uniformly praise the NMSM as cleaner than the old market, with much improved trash pick-up. They also appreciate the restrooms and improved food safety at the new market. Vendors noted recent problems with space allocation, but they mostly agreed that those problems were resolved. Furthermore they generally praise the current organization and allocation of vending space. By and large, merchants also appreciate the increased security and monitoring of customers and vendors for illicit activities.

### *C. Vendor Criticisms and Suggestions for Improvements at NMSM*

**Business people are innovators** and they regularly seek ways to improve their businesses. It is in this spirit of continuous evaluation and improvement that vendors offered some criticisms of NMSM as well as suggestions for improvement.

One vendor put it like this:

This Market's great, yea, true, but it's changing all the time. It's like a business if we don't monitor things, if we don't think about how to make it better, then we're in trouble. It's about business, business never waits, it never stands still. You've got to stop and think sometimes, see what can wait and what you can do better because if you don't improve the next guy's gonna' pocket your business.

Vendors are aware that similar challenges confront businesses of all sizes and types. They believe the Market has room for improvement in many areas. Each of the following was discussed by at least four merchants (presented here in no particular order): security and cleanliness, diversity of merchandise and food offered, space allocation and licenses, and the size, visibility and governance of the Market.

### 1. Security and Cleanliness.

**Vendors observe that thieves** continue to operate at the NMSM, usually early in the morning but throughout the day as well. They indicate that security patrols are absent in the early morning and infrequent during the day. Merchants have observed security being absent during the middle of day, and they believe that the patrols are sheltering themselves instead of doing the work they have been contracted to do. They suggest that security patrols should start earlier in the morning and be more frequent throughout the day.

Merchants feel that they could play a larger role in addressing security problems. They suggest that they be recruited to assist in identifying thieves or other threats to merchandise and security. Merchants are aware that thievery persists in business of all sizes and types and they do not expect an end to such problems. However, they believe that security can be improved at NMSM.

Similarly, vendors perceive NMSM to be cleaner than the old market, and believe this cleanliness is attractive to customers. But vendors generally, and food vendors in particular, believe that cleanliness could be improved by more frequent trash removal. Merchants have a few suggestions: first, to increase the frequency of trash pick-up; second, to designate trash cans by location or number, and provide a phone number that vendors may call to request trash removal.

### 2. Business Diversity

**Merchants believe that a wider variety** of businesses will draw a broader clientele and that increased clientele will be good for all merchants. Vendors have observed a decline in variety from the old market. They see a need for more sellers of different ethnic foods, arts and crafts. They notice a more homogeneous selection of merchandise and they miss the old market's greater diversity of food offerings. Vendors would also like to see opportunities for estate sale and garage sale merchandise, as occurred in the old market.

One suggestion to increase diversity of merchandise is to provide regularly scheduled weekends for sellers of antiques, items from art shows, and other occasional offerings. Sellers of goods from estate sales might also gain entry. Such goods may be directed to especially reserved locations within the Market. Another idea would target restaurateurs and artisans from city festivals, including them occasionally at NMSM.

Vendors uniformly agree that more entertainment should be encouraged, including blues bands, clowns, comedians and others. Merchants do not miss the “three card monte” or “shell game” and other illicit entertainments of the old market. But they argue in favor of more offerings to build the Market’s reputation as a center for entertainment as well as inexpensive merchandise.

### 3. Vending Spaces and Vending Licenses

**Merchants shared several concerns** about vending space. Their ideas are discussed below in no particular order of importance.

Merchants feel the need for some flexibility in when and how they occupy their space. They suggest that they be able to vacate their spaces earlier in the day and that documented employees be able to conduct business on their behalf. Vendors also suggest that space size be allowed to vary according to needs. They suggest that space markings appear clearly on the street to help them easily locate their spaces.

Vendors acknowledge the natural tension between the city’s desire for routine methods of space allocation and the vendors’ (and customers’) interest in spontaneity, diversity of merchandise and entertainments. They suggest that the city find a way to incorporate existing vendors and new vendors. At the old market, some temporary/experimental vendors could get a space, even for just one or two weeks. The NMSM should also accommodate such vendors and the unique merchandise that they bring. For instance, vendors with institutional items (e.g., church rummage sale goods) would help to diversify the merchandise available. This would benefit existing customers and draw new clients to NMSM. Creating a win-win situation for the city and vendors simply requires a more flexible but stable system of allocating vending space.

Vendors want diversity and change, but they also want stability. They expressed hopes that the move to a new location (on Des Plaines Street) will recognize their existing relationships. Vendors have long-standing relationships with each other. They benefit from these relationships, relying on each other and even doing business between each other. Their relationships often go back two and three decades and they hope that after the relocation they will be able to keep the same business neighbors.

Merchants even want stability across generations. They suggest that they be permitted to transfer licenses between family members in order to ensure continuity of their businesses. Vendors feel that the City should recognize the longstanding importance of their families’ businesses within the Market. Some vendors already have a multigenerational relationship to the Market, and what they learned of vending from their

parents they now want to share with their children. Some even desire the right to transfer vending licenses to their relatives and children.

Their reasoning is summarized by Guadalupe Barrios, mother of Lynda Cabrales:

I don't want the land, I just want to be able to pass on the opportunity, the license, pass it to family. My family will value it because they know what I've given to the Market and given to them from the Market, they know how we've benefited from vending. By giving a license to them I'm telling them to work, but I'm helping them as well, since they can develop themselves by working at the Market. That's working together and the city should help us work together.

Guadalupe suggests that the city craft inheritance rules for licenses similar to those used by other businesses, such that intergenerational transfer of vending licenses becomes possible. In fact, this practice is found in other markets around the country, and it contributes to the tradition and history of a market. The Barrios and Hardy families are among the many vendors eager to experiment with this at NMSM.

#### 4. Market Size, Governance and Visibility

**Many of the merchants' suggestions** imply a larger NMSM. Some vendors miss the larger size of the old market. They believe that a larger market will draw larger revenues for the city. This, in turn, shall make better service possible and increase the diversity of businesses. Vendors recognize that there is probably some upper limit of efficient growth, but they feel that that limit has not been reached. They are clear that they do not want growth for the sake of growth, but rather growth to achieve other goals, like increasing the customer base and making more diverse offerings available. For these reasons, many vendors applaud the city's promise to enlarge the NMSM in its new Des Plaines Street location.

For market governance, merchants want more attention from City Hall. They feel that city officials should take greater interest in the Market. Vendors described their feeling with statements such as, "we should get more respect," and "the city should pay attention to our voices." In terms of respect, merchants mentioned that they do not expect a personal relationship or special favors from city officials. Rather, they want the city to show significant interest in the Market, in order to improve the city's own knowledge of its current conditions and its potential.

Merchants feel that the city should enhance vendor participation in market governance. They want clear communication from the city on matters of voting for vendor representatives. They want to improve merchant turnout in voting for representatives and improve communication between the vendor representatives and other merchants. In all, vendors desire a democratic and responsive administration of NMSM. They suggest that they become fuller participants in administering the Market.

Vendors want city officials to focus on a smaller number of rules, and to enforce these more even-handedly. They perceive that the city creates rules that are not enforced and not enforceable, and that many are ignored. This, merchants assert, fosters cynicism.

Furthermore, vendors want the reasons for a rule to be clearly communicated. They believe that clear articulation of rules is important, even if they don't agree.

A number of merchants have experience with farmers' markets and city-organized neighborhood festivals. They note that the rules of these markets can vary from event to event. Therefore, merchants want the city to consider what rules are really required for smooth and flexible function. As one vendor said, "Sure, we need rules, but don't be afraid to change the rules, update them; redo them." Paraphrasing the Scriptures, he went on to say, "those rules are for us to do business; we're not slaves to the rules."

Finally, merchants have ideas for public visibility of NMSM. Vendors believe strongly that the NMSM will draw more shoppers if positive media coverage exists to offset negative perceptions about the Market. In this regard, they appreciate the positive press coverage now actively promoted by City Hall. They offered additional suggestions for enhancing visibility. For instance, they suggest having the city's street trolley give access to the NMSM, as well as adding signs to nearby expressways and streets. One vendor applauded the city's promise to erect a visible marker for NMSM at the Des Plaines Street location, one similar to those now adorning Chinatown and Little Village.

#### *D. Bringing The Vendors In*

**Merchants believe that cooperative** relationships between themselves and city officials can help to ameliorate many concerns. They want to be part of the solution. Their suggestions (outlined above) are just an opening to an ongoing dialogue they hope to have. They will participate in experiments to create a better market. They will continually seek improvements that advance the Market's capacity to foster small business and social well-being.

The vendors' suggestions for improving market governance are invaluable, and they should rightly play a significant role. However, their voices alone cannot be the deciding factors. The city holds responsibility to a larger constituency. Future generations of merchants must eventually replace the current one. Moreover, people throughout Chicago and the metropolitan region take an interest in Maxwell Street. The Market attracts worldwide attention for its colorful history and heritage.

This wide constituency of concern for NMSM places great responsibility upon the city. It opens unique possibilities for market management, as discussed in the report's next part.

# — Part II —

## Governance Options for the New Maxwell Street Market.

---

**Initial research into the governance** of large city markets showed that most are managed by non-profit boards of one type or another. The boards vary in size, some being larger (11 to 13 members) and others smaller (seven members). Board relationships to city governments vary. Some boards remain associated with the mayors' offices, while others report to city councils.

The role that merchants play in governance varies from market to market. Costs of operations, also, are paid in different ways. Some markets remain relatively independent of local government, relying on fees charged to vendors. Other markets remit fees to city governments, which then purchase services for these markets.

Despite the variation, most large city markets enjoy an independent board of directors. These boards help to mediate the relationships between vendors, customers and government. Even official city-designated marketplaces typically use non-profit boards to govern the market and mediate the various relationships that markets have with the larger community.

The following section briefly reviews five successful market governance structures.

### *A. Governing Public Markets: Five Markets*

**The five markets**, discussed below, achieve a balance of autonomy and government oversight. Three of them are indoor markets, while just one (Dane County) is outdoor. Nevertheless they serve as useful examples, suggesting possibilities for the governance of New Maxwell Street Market.

Five brief reports follow in order, from those markets with apparently less autonomy to those with considerably more autonomy and self-sustaining power. The final example from Chicago is included to demonstrate the success that has been already achieved in our city.

#### 1. The Indianapolis City Market.

**For more than 100 years**, independent merchants have found opportunity in a beautiful downtown marketplace teaming with farm-fresh produce, homemade goods,

specialty foods and more. Today, the market remains a place of unique shops, vendors, and products. Through a 1988 resolution of city council, the market converted from a city-run operation to a non-profit entity called Indianapolis City Market Corporation (ICMC). The ICMC, established as a 501(c)(3) organization, is governed by a 13-member volunteer board. The mayor appoints six board members, while city council appoints the remaining seven. The ICMC hires a director and a small staff, whose responsibilities include leasing, maintaining, operating, advertising and programming the market.

The city and market maintain a close relationship, as the market remains dependent upon the city for considerable financial support. An agreement was drafted between the city and the ICMC in which the ICMC leases its building and grounds from the city for \$1 per year. The city agreed to cover the annual costs for utilities, which run about \$300,000 per year. Also, the ICMC must go to city council to get funds for serious maintenance and repairs. This relationship requires cultivating the continual support of city council. Fortunately, the market is near city hall and many council members go there for lunch. This naturally creates a favorable political climate for the market!

## 2. The Reading Terminal Market in Philadelphia.

**This historic market** was for many years situated below the Reading Railroad Terminal downtown. It was moved into the terminal area itself in the early 1990s, during a major renovation undertaken by the Pennsylvania Convention Center Authority. The market is considered among the best farmers' markets in the U.S., blending state-of-the-art technology with historical integrity. It remains a favorite for a local clientele, even while becoming a very popular Philadelphia tourist destination (although still less popular than Liberty Bell and Independence Hall). More than 80 merchants offer fresh produce, meats, fish, groceries, flowers, baked goods, crafts, books, clothing, as well as hard-to-find specialties and ethnic foods.

The Reading Terminal Market Corporation was created by city council in 1994 as a 501c(3) not-for-profit organization, for the sole purpose of managing the market. The market is nearly financially self-sufficient, receiving no direct public or private operating subsidy whatsoever (although it does not pay rent to its landlord – the convention center authority). It is governed by a seven-member board of directors who are appointed by a variety of authorities: the mayor (1 appointment); city council (1 appointment); convention center authority (1 appointment); merchants' association (1 appointment); and historic preservation groups (2 appointments). Appointed members elect a board chairman. The Corporation seeks to preserve the historical character and function of the market as an urban market, to celebrate the diversity of its patrons and merchants, and to ensure financial viability and self-sufficiency for the market. The Corporation has established operating policy guidelines, reserving the right to set rental rates and rental differentials for merchants, and to approve changes in their product lines.

### 3. The Dane County Farmers Market in Madison, Wisconsin.

**The market was founded in 1972**, “to enhance the Capitol-Concourse area of the City of Madison.” Merchants must be residents of Wisconsin. The ownership of the market has evolved over the years, in response to changing circumstances. Originally the market was owned by the city and county. Later, a more efficient and effective non-profit, self-governing board structure was adopted. Today the market operates on state property (the capital square) and city property (the streets and sidewalks around the perimeter of the square). Farm-to-market merchants dominate the square, while other products and entertainments are available on the perimeter.

The Dane County Farmers Market is governed by an 8-member board, a market manager and seven elected vendors. The market provides its own insurance, advertising and management. Merchants must meet a variety of specific qualifications to enter. Their qualifications are enforced via contract and checked through random inspections. The market hosts 300-plus vendors on Saturdays and the waiting list for a license is estimated at 12 years.

### 4. The Pike Place Market in Seattle.

**Nearly a century** after its founding, the Pike Place Market remains a vital part of Seattle's social and economic fabric. Its historic nine-acre district downtown is considered by many to be a national treasure. The Market is a city-chartered entity, a public development association (PDA) created by the City of Seattle. It is one of twelve such entities in the city. PDAs are unique, independent entities, sub-agencies of the city that are legally separate from the city. This governance structure produces a vibrant market without assuming it into the regular functions of city government. State and federal law require PDA contracts to satisfy liabilities incurred by the PDA exclusively from PDA assets, without encumbering the city with any debts, obligations, or liabilities.

The board, composed of twelve members, is appointed by the mayor and by the Pike Place Market Constituency. The board elects a board chairman. It sets policies and oversees activities and staff. Thus, the success or failure of the PDA is dependent on the board's ability and efficiency.

The board has been quite successful in cultivating citywide support for the market. It has created an affinity group and a foundation. The Pike Place Market Constituency is a membership group for anyone interested in the market: merchants, patrons, and concerned citizens (membership is \$1). Also, a Market Foundation raises money to support a market heritage program, public improvements and repairs to the historic buildings, and programs to assist vendors and farmers.

### 5. The State Street Commission in Chicago.

**The State Street Commission** provides management and funding for improvements, upkeep and beautification of historic State Street. While the Commission serves merchants in permanent buildings along a downtown street, and therefore does not

precisely parallel the situation of NMSM, its governing arrangement is instructive. It is composed of an 11-member board: four members from the city government and seven from the private sector. All are appointed by the mayor, with city commissioners serving as the public-sector members. For the private-sector members, the mayor receives recommendations from a merchants' group called State Street Council.

The Commission enjoys a dedicated income stream from a special service taxing area (SSA), derived from the property tax of merchants along State Street. The merchants themselves voted for the SSA and the additional tax, which is collected and kept by the city in a special fund for disbursement to the Commission. A small professional staff handles events and contracts for services. The professional staff is provided by State Street Council, which acts through a special arrangement as "sole service provider" to the Commission.

-----

These markets are successful because each has established a strong identity in its city. That identity is protected by a strong governance structure, one that is very responsive to local problems and opportunities. Non-profit, semi-independent boards enjoy the authority to exploit special opportunities and maximize the unique economic niche that each market occupies.

### *B. Ideas for Governance of NMSM*

**The Maxwell Street Market** is historic and enjoys an internationally recognized name. These qualities will ensure its continued fame and future prosperity. However, as the city prepares for the market's relocation, it may well consider new possibilities for market management.

A few lessons arise from the markets discussed above. They show that successful market governance evolves in response to local circumstances. This may require markets to seek financial independence even while they develop cooperative relations with city government. Moreover, successful markets cultivate a variety of relationships with their communities, even through membership organizations that foster recognition for historic markets.

Specific ideas touching upon the mechanics of market governance appear in the two sections that follow.

#### 1. Non-profit Management

**Given that successful markets** around the country are governed by nonprofit boards, it is worthwhile to consider establishing NMSM similarly. A non-profit board would operate as an independent or quasi-independent entity, one with its own constituency and directorship.

Such a change would be made to enhance the Market's viability and ensure its permanence. On the one hand, an independent board could reach out to non-governmental funding sources. On the other, independent management would bring new approaches and creative ideas into the Market. Of course, any new relationship between NMSM and the city would require careful planning and gradual implementation. The ideal outcome will result in a balance, such that a thriving market remains committed to serving the needs of people throughout the city and metropolitan region.

The advantages of a non-profit management arrangement for NMSM are several. As mentioned, the autonomy of a non-profit board can allow for greater creativity and flexibility. Directors may distance themselves from many controversial decisions that must be made in the Market. Meanwhile, they can raise funds and apply for grants for which the city is not eligible. Also, a non-profit board may develop a new constituency for the Market, a kind of affinity group of patrons and supporters. The board would be free to cultivate popular support by using the famous Maxwell Street name. This holds great potential for market promotion and fundraising.

As noted, the key to successful market governance is to strike a balance. The Market's total disengagement from city oversight and management is undesirable, because significant advantages exist in its linkage to city government. Perhaps the greatest advantage is that the market will retain its status as an official city market, with all of the recognition and prestige that status brings. The city will act as ultimate benefactor and protector of the market, guaranteeing its role as a public market that is dedicated to serving the people.

There may be financial advantages as well, although this depends largely on how the market management is organized. The city could potentially provide a fair amount of in-kind support from its various offices (legal, accounting, public works, law enforcement). Also, the city plays an indispensable role in providing the necessary infrastructure for the Market's functioning. For these reasons, the Market's ultimate financing structure remains a critical question. The respective roles of board and city government will need much further consideration.

Again, balance is required. Generally speaking, the more autonomous the market board, the more it enjoys its own income stream. However, a more autonomous board is also burdened with more liability. Will final liability remain with the city, or (as in the case of Seattle) be vested in a corporate structure? And what will be the source of income for the market? Presumably the city will be the main initial source, but the board may move toward greater independence as a foundation is established and a support group is built up (again, the case of Seattle is illustrative). These critical questions must be resolved well before the writing of new city ordinances for NMSM.

## 2. Establishing a Board

**When considering the practical aspects** of a governing board, an obvious question arises: who would serve on this board? City commissioners, aldermen or other officials might populate the board. There should be representation from the vendors and also from

the Market's patrons. Various music and arts communities, who could support cultural aspects of the Market, might have a seat on the board. Board members should also come from the private sector and from non-governmental organizations.

The question of the board's number and balance also arises. An odd number of board members is required for voting, but the balance of public and private is critical. The best approach may be to first determine the number from city government, then add one more to calculate the number required from the private sector. For example, a 7-member board should be split 3:4. Three members would come from the city government and four from the private sector. The tilt toward private-sector members would (presumably) give that element of autonomy that ensures independence. Real autonomy will be required in order to attract capable board members.

The board must attract members whose civic stature and well-regarded professionalism will evoke respect for the Market. Most board members should have no direct economic interest in the Market. Instead, their motivation to serve should come from their sincere concern for its long-term continuation. They must be willing to lend their prestige to NMSM and speak out on its behalf.

Ultimately, a successful board requires a diverse group of talented people. They may be market vendors, civic advocates, and business professionals with knowledge of markets and small business development. Their commitment will require the board's autonomy and, in turn, help to guarantee its continuing autonomy. In this context the question of length of board service arises. Staggered terms, of two or three years, may be best. Staggered terms of moderate duration will help to preserve institutional memory, foster fresh ideas and minimize undue political influence. Reappointments should not be allowed.

The board's scope of activity and responsibility will require some consideration. The five markets discussed above offer different models. Some of the boards engage in day-to-day management. Others retain a professional market manager, either as staff or on some form of revolving contract. Yet all engage in planning, setting out near-term and long-term goals and strategies for their markets. They provide the critical vision required for effective policies.

Certainly, a board will be expected to set policy for the market, both for the day-to-day operations and for the broader concerns of market maintenance, advertising and programming. Policies will emerge from the board's long-range planning and agreed-upon strategies. Again, the five markets discussed above show the variety of ways that these responsibilities get worked out. In one way or another, however, market boards become concerned with all of them.

# — Part III —

## Recommendations.

---

### *A. Ideas To Keep in Mind*

**What follows are thoughts** and recommendations for the Market in anticipation of its relocation in 2007. They cast light on some key concerns now facing NMSM, apart from the larger questions of governance discussed in Part II. The ideas come from the author's own observations and long experience and study of public markets. They should prove useful for city officials and for members of any new governing board that may be established.

- Markets contribute to the larger social and economic life of the city. Therefore, astute market planners will see the economic, social and cultural aspects of NMSM as complementary. They will seek ways to strengthen one by promoting the others.
- The Market is, in a sense, “plastic”. Its identity is not set in stone, and it can accommodate the variety of shopping experiences that vendors want their patrons to have at NMSM.
- Connecting immigrants and local ethnic and/or consumer groups to the Market can increase its clientele. Some city markets have programs that support local agriculture, arts and artisanship. Linking the Market to local community food systems and cultural resources can return social and economic benefits to everybody.
- The Market should exploit the particular connection it has with its location. A market must be both a place to shop and a place to “be.” It should be considered an “event,” a magnet for locals and for tourists, and an advertisement for its city and region. NMSM enjoys a great heritage in this regard, but the new location at Des Plaines will open new opportunities to create a strong sense of place. Clearly, this will require some investment in the Market's aesthetic features.
- A positive atmosphere at the Market can generate positive effects on the surrounding area. Indeed, the Market holds the power to regenerate the entire neighborhood in which it is located.

- The Market should project a balance of safety and excitement, originality and history. This brings the following factors into consideration:
  - A diverse merchant and customer base makes the market appealing to even more people, so the Market should be designed to attract vendors and visitors from near and far;
  - Artists, musicians, chefs and others may be recruited to develop activities in the Market, such as plays, musical performances, food demonstrations, and so forth.
- The Market may become a tourist destination and a source of new business for the city. As Chicago promotes itself as a global city, the Market and its musical heritage should contribute to that vision. In cooperation with “heritage” museums locally and around the country, NMSM could play host to visiting exhibits and music shows, particularly those in the tradition of Blues.
- Shelter and seating may be sponsored by companies or community organizations, using signage and other means to convey advertising and organizations’ messages.
- Market operating costs may be minimized by recruiting and rewarding volunteers for various tasks. For example, vendor fee schedules may be adjusted contingent upon maintenance and management tasks that vendors perform for the Market.
- Rules raise business costs for vendors and should be clearly communicated and fairly enforced.
- The Market will grow if permitted. Allow space for it to grow, with areas for new permanent vendors and for temporary vendors who need access for just a few Sundays.

These ideas may prove useful for NMSM at its new location. Realizing the benefits will require leadership, planning and execution. But even the best laid plans, once executed, are improved by further research, evaluation and experimentation. Some ideas for further research follow.

### *B. Suggestions for Further Research*

**People around Chicago** (and the world) take an interest in Maxwell Street. Yet it is surprising how little is actually known about the Market. Its current economic impact and its future potential are rarely considered. Nearly one hundred years ago, when the city formally established the Maxwell Street Market, it did so to address unemployment and other social concerns.<sup>6</sup> At the time, the city sponsored significant research to document the potential of public markets.<sup>7</sup>

<sup>6</sup> See Chicago Municipal Markets Commission, 1914; Morales 2000; Eastwood 1991.

<sup>7</sup> See Chicago Municipal Markets Commission, 1914.

Today, a similar effort is required. This report provides anecdotal evidence of the Market's economic importance to families. But further research would quantify some of the economic benefits provided by the Market. It would uncover its non-economic benefits as well, showing the Market's value as an asset for social and cultural development.

Additional research will begin with a strategy to collect and analyze in-depth interview and survey data. The interviews would occur with merchants, customers and market managers. Above all, new research must direct attention to the market's users, to the crowds of customers that go there on Sundays. Their needs and their motives for spending money at NMSM must be better understood.

Survey data would be created during a defined period, such as a series of Sundays in one summer. It might be supplemented with periodic surveys of customers, to track purchasing at the Market and earnings taken from it. In-depth interview and survey research strategies, performed in tandem, will produce systematic measures of the Market's impact on the city, the merchants, their families and customers.<sup>8</sup>

Another source of continual data would come through the city's own record keeping. The city might revise its vendor license applications to facilitate data collection and evaluation research. A few key questions on the applications can provide a wealth of data. Such data would indicate the type and value of goods brought to the Market, the business interests and geographic range of the vendors.

As noted, research will depend in large degree upon interviews with market customers. While vendors will naturally withhold information about sales, customers will usually share information about their expenditures. This allows a fair estimate of the total sales. It requires much work, however, to obtain a sufficient sample of customer interviews. A large contingent of trained interviewers would need to work under a research director, probably during one or two Sundays in summer.

Such research must await additional funding. For now, this small report should be helpful in any conversation about the future of New Maxwell Street Market. It lays groundwork for fruitful discussions and defends an important institution in the city's economic and social life.

---

<sup>8</sup> For description of some of the benefits to measure, see Morales, Balkin and Persky 1995.

# References

---

Carpenter, Mary. *The Dane County Farmers' Market: A Personal History*. The University of Wisconsin Press. 2003.

Chicago Municipal Markets Commission. 1914. Preliminary Report to the Mayor and Alderman of the City of Chicago (April 27). Chicago.

----- . 1914. Report to the Mayor and Alderman by the Chicago Municipal Markets Commission on a Practical Plan for Relieving Destitution and Unemployment in the City of Chicago (December 28). Chicago.

Eastwood, Carolyn. *Chicago's Jewish Street Peddlers: Toehold on the Bottom Rung*. Monograph, Chicago Jewish Historical Society. 1991.

Grossman, Ron and Charles Leroux. Photos by Jose M. Osorio. August 6, 1998. "Sidewalk Entrepreneurs." Chicago Tribune web edition; in paper edition at sec. 5, pages 1 and 4.

Grossman, Ron. April 16, 2000. "From Pushcarts to Prosperity." Chicago Tribune Magazine.

Morales, Alfonso, Steve Balkin and Joe Persky. 1995. "The Value of Benefits of a Public Street Market: The Case of Maxwell Street." *Economic Development Quarterly*, 9 (4): 304-320.

Morales, A. 2000. "Peddling Policy: Street Vending in Historical and Contemporary Context." *International Journal of Sociology and Social Policy*, 20 (3/4): 76-99.

Morales, A. *Making The Market* (book manuscript in preparation - precis and other materials available from the author amorales@ssc.wisc.edu).

# Credits:

---

Alfonso Morales, research and writing

Alan Mammoser, editing

Charles Cowdery, design

Chris White, research assistance

Please direct questions on the content of this report to Alfonso Morales, Ph.D.,

Visiting Assistant Professor of Sociology at the University of Wisconsin, Madison.

amorales@ssc.wisc.edu

**Research, writing and printing of this report was made possible by a generous grant from The Chicago Community Trust.**