

# CHAPTER 7: ECONOMIC DEVELOPMENT

Although economic improvement is not the primary purpose of a park, it is typically a significant benefit of park development. A large waterfront park at Hunters Point Shipyard that serves tourists as well as the neighborhood has the ability to create employment and small business opportunities, enhance surrounding land values, and support the tourism sector of San Francisco's economy.

## chapter 7: economic development

### A waterfront park can support the Shipyard's economic development

A Shipyard Waterfront Park could play a major role in assisting the Shipyard to achieve its economic revitalization goals. The park can contribute directly to the Shipyard's economic future by providing jobs and businesses that parks normally spawn, by increasing adjacent property values, and by generating private investment. A park designed as a regional destination will be able to bolster the economic return on nearby industrial, commercial, and residential land. As a tourist destination, the park's economic benefits could extend beyond the Shipyard and Bayview-Hunters Point to the city as a whole, transforming the image of Hunters Point.

### Shipyard goals for economic development

As it is today, job development was a clear priority of the community when the City formulated the Shipyard Redevelopment Plan about a decade ago. As a result, most of Parcel E's 167 acres were reserved for industrial (including maritime industrial) and research and development uses that would directly accommodate job creation. Sixty acres fronting the Bay were designated as open space. The Plan reflected 1997 market conditions at the height of the dot-com boom when there was strong demand for both industrial space and labor. Since then, both have substantially eroded. Industrial employment in the San Francisco Standard Metropolitan Statistical Area (SMSA - the smallest area for which employment projections are available) is not projected to keep pace even with low over-all

Employment Projections for the San Francisco Standard Metropolitan Statistical Area, 2002-2012

Source: California Employment Development Department



2002



**leisure and hospitality**

will grow by 9.3%

**manufacturing jobs**

will fall by 0.4%

2012

job growth. San Francisco SMSA employment is projected to grow by 4.5% in the decade between 2002 and 2012, but manufacturing jobs are projected to fall by 0.4%. In contrast employment in the leisure and hospitality sector is projected to grow by 9.3%.

Lennar has begun to project the demand for industrial development. Their consultant shared findings with the Citizens Advisory Committee in March. They reported that 1999 demand for research and development space has weakened substantially. They are more optimistic about demand for sales/service/light industry uses, for

which they are projecting growth from .68 to 1.1 million square feet. However, only those activities that are waterfront-related could be pursued on portions of Parcel E that are covered by the Public Trust (most of the area designated for maritime industrial uses).

In this context, there could be economic advantages to dedicating some of the Parcel E industrial and maritime industrial land to park-related development for two general reasons: first, to take advantage of economic activity that parks directly generate and, second, to improve the marketability of industrial development.

parks + economic development

**goals for development**

parks + jobs

property values

private investment

parks as tourist attractions

parks as regional attractions

special events

tourism benefits

**economic development**

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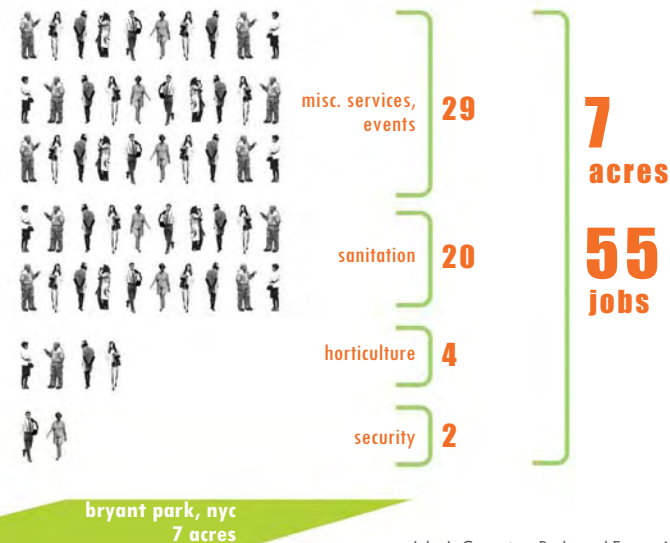
parks as tourist attractions

parks as regional attractions

special events

tourism benefits

A wide variety of jobs are created by parks. At Bryant Park, a 7-acre park has created 55 jobs.



source: John L. Crompton, Parks and Economic Development.

## Parks create jobs directly and indirectly

The employment most directly generated by park development is a number of on-site jobs related to maintenance and operations: park managers, gardeners, custodians, security guards, tour guides, coaches, recreation leaders, after-school program workers, and educators. Additional jobs are created when a park offers food services (ranging from restaurants to food carts), and specialized recreational activities and equipment

(such as skating rinks and paddle boats). These activities generate jobs related to bike or boat rental and boat launches. Special events (such as festivals, concerts, and sporting events) can provide temporary jobs. Parks that provide such services through concessions create business opportunities as well as employment.

Optimizing neighborhood benefits of the park will require programs that target employment and business opportunities to the local community. The jobs that a park generates require a range of skill levels. Train-

## Parks can create a variety of on-site jobs and businesses by responding to the needs and desires of the community:

**The cafe in Sacramento's Plaza Park is the highest revenue-generator per square foot in the city.**

**Carousel Village in Providence Rhode Island includes boat rides, pony rides, a miniature golf course, and a replica Victorian horse carousel. The Casino, a fully-restored Georgian hall built in 1896, now hosts hundreds of meetings, weddings and banquets each year.**

**Indianapolis contracts with seven churches that hire disadvantaged and hard-to-employ individuals to maintain 24 neighborhood parks.**

source: John L. Crompton, Parks and Economic Development.

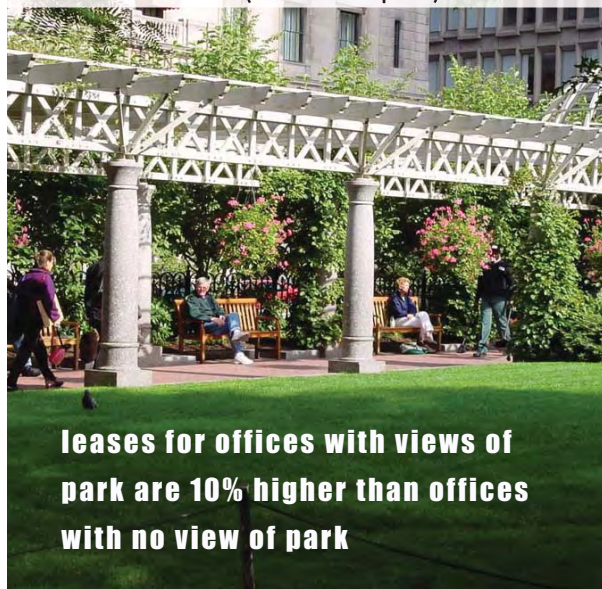
ing programs can play an important role in preparing disadvantaged workers to take advantage of the entry-level opportunities and then to advance to supervisory and management positions. Business opportunities range from restaurants, cafes, and galleries, to a broad range of services. In a larger park, they can include museums, aquariums, recreation centers, community centers, and even hotels.

Business opportunities also need to be targeted to the Bayview-Hunters Point community. The types of businesses

typically operated on and near parks tend to be small with relatively modest start-up costs. As a public land use, a park can be especially effective in targeting the employment and business opportunities. Preferences for disadvantaged communities can be an integral part of the park program.

The San Francisco League of Urban Gardeners (SLUG) is an example of an organization that has been successful in creating job opportunities through a community gardening program.

**Boston's Levental (Post Office Square) Park:**

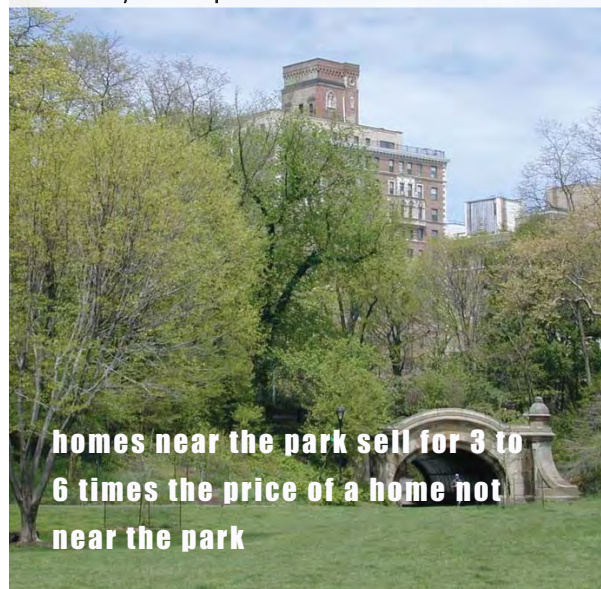


**leases for offices with views of park are 10% higher than offices with no view of park**

## Property near parks has a market advantage

Often the most substantial economic benefits of parks are indirect. Real estate value is created by proximity to attractive parks. Numerous studies document that residential property bordering a natural landscape is typically more valuable than comparable property even a short distance away.

**Brooklyn's Prospect Park:**



**homes near the park sell for 3 to 6 times the price of a home not near the park**

At the Shipyard, where about a third of the residential units will be affordable to low and moderate income households, it is especially important that market rate units maximize their value since the profit on these units is the source of funding for community benefits and offsets the lower financial return from industrial development and affordable housing. Parks can help to accomplish this goal. In New York City, views of Central Park add from \$10,000 to \$700,000 to the value of an apart-

source: National Recreation and Parks Association, Parks and Economic Development



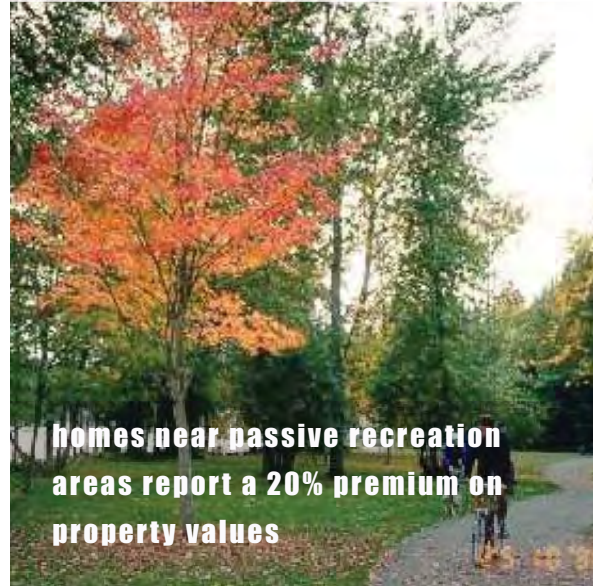
### Seattle area real estate agents:



**property near a 12-mile recreational trail is easier to sell and roughly 6% more valuable than similar property far from the trail**

ment. In San Francisco, according to 1993 statistics, properties that are within walking distance of Golden Gate Park generate \$5 to \$10 million dollars annually in tax revenue. Proximity to the Park adds \$500 million to one billion dollars to the combined value of these properties (Trust for Public Land, Economic Benefit of Parks and Open Space). Value can similarly be added to housing developed during the first phase of redevelopment on Parcel A overlooking Parcel E. Views of the park would significantly enhance the marketability and value of these

### Journal of Leisure Research:



**homes near passive recreation areas report a 20% premium on property values**

homes for new residents who will pioneer a new image for Hunters Point Shipyard.

Non-residential property near a park also enjoys a marketing advantage. A 1989 survey of chief executives by Cushman and Wakefield concluded that employee quality of life was the third most important consideration in choosing a location for their business (Trust for Public Land, Economic Benefit of Parks and Open Space). The amenity of a nearby park for industrial real estate in San Francisco

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goals for development  
parks + jobs  
**property values**  
private investment  
parks as tourist attractions  
parks as regional attractions  
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source: Trust for Public Land, Economic Benefit of Parks and Open Space

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could be a marketable attraction – especially in the Shipyard that will be a newly revitalized district.

## Parks help pay for themselves

The benefits that a park creates for nearby businesses can underwrite the costs of maintaining and operating the park. As Bryant Park in New York City illustrates, the support can be direct. Adjacent businesses that benefit from the park's 4,000 daily visitors, paid for 60% of the \$18 million dollar restoration of the park, and they pay more than half of the annual maintenance budget (Crompton, Parks and Economic Development).

The support can also be indirect, in the form of property tax revenues contributed by real estate investment attracted by the park. These economic benefits depend on the park's size and draw. Parks in San Jose, Chattanooga, and Louisville provide examples (facing page).

## A park that is a tourist attraction creates additional economic benefits

A park that attracts tourists contributes to the local economy in addition to creating on-site employment benefits and increasing the value and marketability of nearby

properties. An additional layer of indirect economic benefit comes from spending by visitors on hotels, restaurants, and other purchases that would not occur if they did not visit the park.

The concepts developed by the Park Project for a Parcel E park include alternatives that would attract tourists. In some instances, tourists would come to the park as part of a San Francisco visit made primarily for other purposes - perhaps a convention or to experience Alcatraz or Chinatown. In this case, the park would increase the visit's total impact. The park's economic contribution would come from the amount such tourists spend specifically to visit the park: for example, the cost of staying a night longer in a hotel, eating another meal in a restaurant, or making one additional purchase in a local store. Even if only a modest proportion of the San Francisco tourists include the Hunters Point park in their stay, the benefits would be significant since the city hosts so many tourists.

For other visitors the park itself would be the major attraction that brings them to San Francisco. In this case, the park can take credit for most money they spend for food, souvenirs and other retail purchases, and lodgings. Many of these visitors would come from within the Bay Area, although special events at the park or at the nearby African Market would have a wider draw.



# Parks generate private investment in an area, especially if the park accommodates regional use.

Diagram shows how adjacent private investment follows development of a park.



private investment  
catalyzed by park  
development was  
**4.5 times**  
greater than initial  
investment in public  
infrastructure

private investment  
catalyzed by park  
development was  
**2 times**  
greater than initial  
investment in public  
infrastructure

private investment  
catalyzed by park  
development was  
**3.6 times**  
greater than initial  
investment in public  
infrastructure

source: Hargreaves Associates

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Much of Parcel E, including the open space designated in the Shipyard Redevelopment Plan is included in California's Public Trust lands. This is land that must be used to benefit current and future generations of Californians in addition to nearby property owners. Attracting tourists to the Hunters Point Waterfront Park is essential.

## The park can become a regional attraction

The Shipyard has several compelling features that a park could transform into regional attractions. The unique history of the Shipyard by itself is a powerful reason to visit Hunters Point. A park that highlights this historical context and invites visitors to experience its industrial character and generous scale will attract tourists and visitors who want more than typical park services. The Point artist studios located on the Shipyard are another significant potential attraction. For almost 30 years, artists have

transformed neglected Navy buildings into active studios, where they have created works in all media. Open Studio events attract hundreds of visitors annually from throughout the region.

People from all parts of the Bay Area, as well as San Francisco tourists, will visit a Shipyard park that offers an exceptional mix of experiences. A stormwater treatment wetland, especially one that includes an interpretive center with on-going educational programs, would attract people interested in observing wildlife in an urban context. Bird watching is one of the fastest growing forms of

recreation nationwide. The annual Pacific Flyway Festival in Vallejo is an example of the willingness of birdwatchers to travel out of town. It is the largest environmental festival in the North Bay Area. Visitors on foot, in wheelchairs, on bicycles and rollerblades would come to spend a day, or even a weekend, exploring an extensive network of trails along San Francisco's southeastern bay-shore, especially if interesting places to eat and shop are part of the experience and can be combined with a wide variety of activities such as playing sports and boating.

The potential economic impact of a large regional park system is suggested by a recent study that estimated that visitors to East Bay Regional Parks' 95,000 acres spend about \$250 million annually on park-related sales of bikes, clothing, food, lodging, and rentals (National Recreation and Park Association, Parks and Economic Development).

## Special events maximize a park's tourism potential

Throughout the country, including in San Francisco, parks have increased tourism benefits by hosting special events. A blues festival, a race to raise funds for a charity, an extreme sports olympics, an art show, or a concert bring visitors to San Francisco or convince them to stay longer.

Although the employment and income that special events generate are not continuous, the amounts can be very

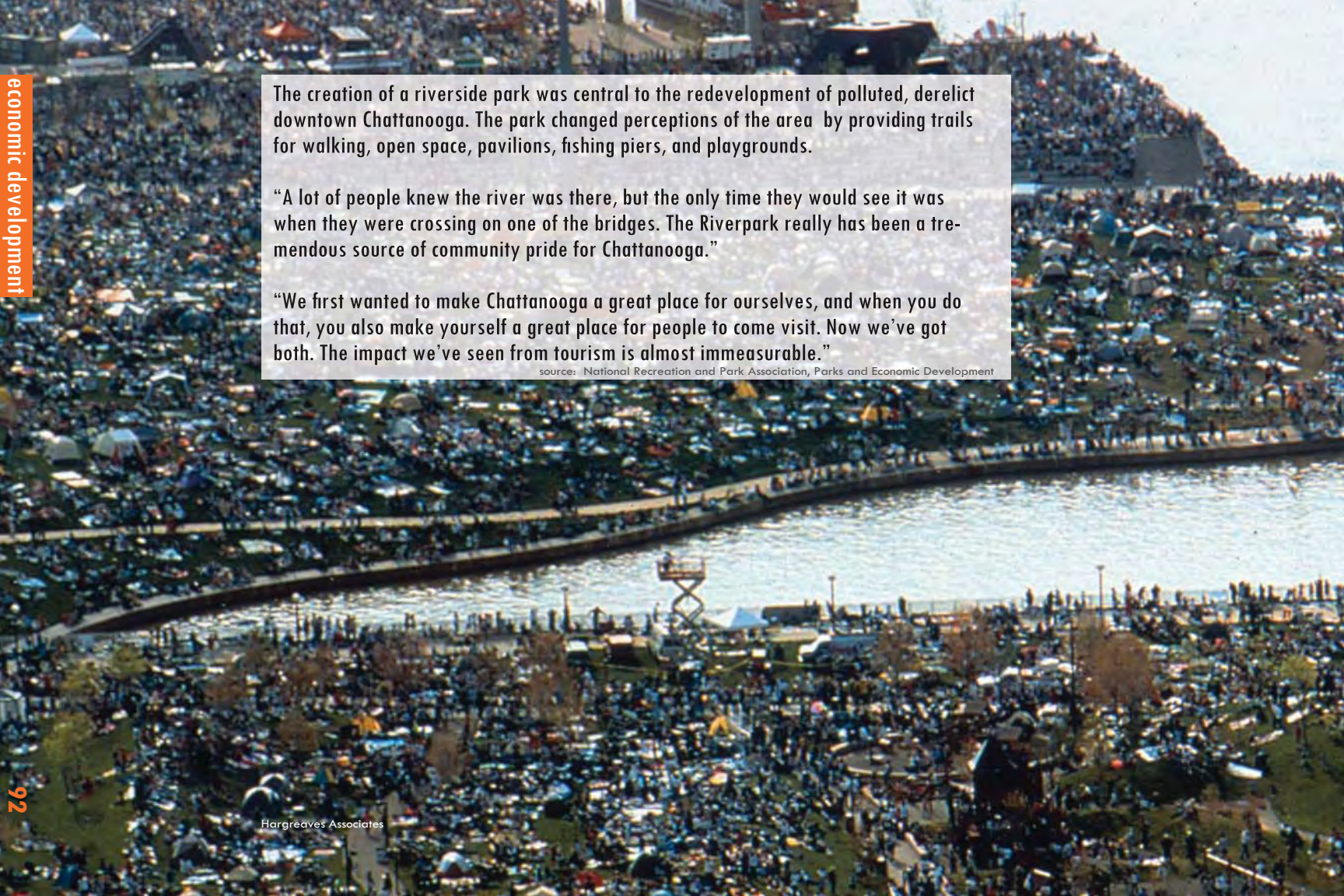


substantial. Professor John Crompton of Texas A&M University calculated the jobs, personal income, and sales income generated by out-of-town visitors drawn to a river festival that attracted almost a half-million non-residents generated about \$15 million in sales and 326 jobs.

There is considerable variation in the economic benefit that special park events generate, based on number of tourists attending, length of their stay in the city, and the amount they spend each day. The river festival mentioned above lasted four days, and out-of-town visitors stayed in the city for an average of 3.1 days but the average visitor spent only \$12 per day. A smaller 4-day

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An aerial photograph of a large, crowded riverfront park. A bridge spans the river, and the surrounding area is filled with people, tents, and structures. The city skyline is visible in the background.

The creation of a riverside park was central to the redevelopment of polluted, derelict downtown Chattanooga. The park changed perceptions of the area by providing trails for walking, open space, pavilions, fishing piers, and playgrounds.

“A lot of people knew the river was there, but the only time they would see it was when they were crossing on one of the bridges. The Riverpark really has been a tremendous source of community pride for Chattanooga.”

“We first wanted to make Chattanooga a great place for ourselves, and when you do that, you also make yourself a great place for people to come visit. Now we’ve got both. The impact we’ve seen from tourism is almost immeasurable.”

source: National Recreation and Park Association, Parks and Economic Development

festival attracted 87,000 tourists (also about half the number of attendees) and generated 121 jobs - more than twice as many jobs per tourist. Each of these tourists spent \$42 per day - almost four times more than the average for visitors to the river festival (Crompton, Parks and Economic Development).

Since San Francisco is a city that is relatively expensive for tourists, it is likely that additional time spent in the city to visit the Shipyard Waterfront Park would have high impact. The challenge, of course, is to design a park that can comfortably accommodate large special events.

## Tourism benefits the neighborhood

To build a destination for tourists, the first step is the creation of a safe and attractive environment for neighborhood residents and businesses. A Parcel E park has the potential to go beyond addressing currently unmet needs of the neighborhood for recreation and nature enjoyment; it can be a waterfront park designed and operated to attract tourists who support the jobs and business opportunities that the community desperately needs. The key to maximizing the benefits for the Bayview-Hunters Point community is systematic targeting of employment opportunities through programs that recruit and train local residents. Business development assistance is also needed to prioritize neighborhood entrepreneurs.





## **CHAPTER 8: WETLAND POTENTIAL**

If the toxic wastes of the Industrial Landfill are excavated, the site can be transformed into a wetland that would improve the quality of Bay water, provide wildlife habitat in the city, and offer families from the neighborhood and the region an opportunity to enjoy nature. A capping remedy would provide a lawn where people could picnic and relax.

## chapter 8: wetland potential

### Wetland or passive recreation? Options for reuse of the Industrial Landfill

Future use of the Industrial Landfill site is embedded in the choice between capping or excavating the Industrial Landfill. The risks associated with a cap - deterioration over time, continuing releases of contaminated groundwater into the Bay, flammable gases, and failure in an earthquake - impose restrictions. Only activities least likely to cause damage to the cap or health hazards to people using the site would be permitted.

In contrast, the site's polluted past will not control its future use if the toxic wastes in the Industrial Landfill are removed. In addition, the process of excavating the site creates an opportunity to build a stormwater treatment wetland. Developing a wetland would transform the site into a place where the opportunity to explore nature would be accessible to every Bayview-Hunters Point child. It could also anchor a system of trails, habitat, and nature education, along with Candlestick Point State Recreation Area, that would draw visitors from the entire Bay Area to San Francisco's southeastern waterfront.



photo: [www.co.saint-marys.md.us](http://www.co.saint-marys.md.us)



## Restricted park uses on a capped Industrial Landfill

If sequestering the toxics is the cleanup remedy that is ultimately selected, activities allowed on the 20-acre Industrial Landfill would have to be limited to minimize chances of compromising the cap. Large trees or bushes with deep roots would not be permitted. The best protection would be provided either by a hard surface or turf.

In addition to restrictions related to the cap, California Public Trust Law will also limit reuse of the Industrial Landfill. A main purpose of this Law is to ensure that tidal

areas and certain filled lands remain available over time for uses that require proximity to the water – maritime commerce, fishing, water recreation, and habitat. Facilities for basketball, baseball, and other sports unrelated to the waterfront are generally not allowed on Public Trust land.

Since the designated Parcel E open space, including the Landfill, is Public Trust land, the playing fields and basketball courts desired by many Bayview residents will be unsuitable. The most likely reuse of the site compatible both with physical restrictions imposed by a cap and the



legal restrictions imposed by the Public Trust would be as lawn areas and picnic facilities (if a capping system can control methane releases effectively) for passive recreation.

Passive recreation on the 20-acre Industrial Landfill site would therefore be a component of a Parcel E park of any size if a capping remedy is selected. The remaining land in a 60-acre park would provide a shoreline pathway along the South Basin shoreline. If a bigger park included the capped Landfill, there could be a greater variety of recreational facilities, including sports facilities and playing fields, on portions of Parcel E not governed by Public Trust restrictions.

## Excavation presents the opportunity for a wetland

Removal of the Industrial Landfill's toxic wastes would make possible the creation of a stormwater treatment wetland at the same time that it would eliminate a worrisome source of pollution. The stormwater treatment wetland could create twenty acres of open water and wetlands surrounded by trails, interpretive facilities, and fields providing recreation opportunities and wildlife habitat in a dense urban neighborhood. Children and adults strolling on the pathways and boardwalks that wind around and over the ponds and wetlands would be able to view ducks and shorebirds resting and feeding in the ponds and White Great egrets and Great-blue herons, blackbirds, sparrows and hawks flying overhead.

Beyond these recreational and educational benefits for Bayview-Hunters Point and the entire Bay Area, a wetland created on the excavated site of the Industrial Landfill would remove contamination picked up by rainwater and other runoff from Shipyard upland areas on their way to the Bay. The wetland would also allow a park that capitalizes on the Shipyard's world-class habitat potential.

Elsewhere, the many environmental benefits of wetlands have attracted a variety of governmental and private charitable funding sources. It is very likely that such contributions could offset a significant percentage of costs of toxics removal/wetland creation.





landfill reuse

use restrictions on cap

wetland opportunity

**larger habitat system**

wetland benefits

health benefits of nature

wetland on Parcel E

## Contributing to a larger habitat system

The many species of birds that visit the Industrial Landfill area even in its current degraded condition are an obvious indicator of its extraordinary potential as an important wildlife resource. One hundred and sixty wild-life species have already been identified on property adjacent to Hunters Point. The creation of a wetland would enhance this potential by reconfiguring the site specifically to attract a large variety of species, including many that are threatened by loss of habitat elsewhere. Given Hunters Point's location on the Pacific Flyway, a route used by birds migrating between Central and South America and the Pacific Coast, wetlands on Parcel E would meet needs of resident and migratory birds.

The value of the wetland would be leveraged by nearby conservation efforts that have begun at Yosemite Slough, Heron's Head Park, and a small stormwater treatment wetland that the Port of San Francisco is currently developing north of Pier 94. An extensive system of habitat, trails, and nature program can be the centerpiece of an extensive Yosemite Slough-Hunters Point park system.

A capped Landfill would sacrifice most of this enormous potential as a significant wildlife resource and, with it,

a park's ability to attract visitors from a distance. No other site on Parcel E – or the Shipyard, for that matter – has habitat potential comparable to a wetland on the excavated Landfill site.

## A wetland would provide special benefits to Bayview-Hunters Point

Converting the 20-acre Industrial Landfill site into a wetland would do more than bring birds to a Parcel E park; the wetland would:

- make the Bay more healthful for fish and for those who eat those fish, by purifying Shipyard runoff;
- attract park visitors who would eat at cafes, rent bicycles, and purchase gifts at small businesses that could be owned and operated by Bayview-Hunters Point residents;
- generate educational programs that serve neighborhood youth and families, as well as visitors from throughout the region; and
- provide a beautiful amenity for the neighboring community and a unique environment in which children and adults can experience nature just a few minutes from home.

There is a common but mistaken perception that people in low-income communities like Bayview-Hunters Point





have little need or interest in the kind of nature experience that a wetland would provide. This perception is based in part on the access limitations lower-income families have traditionally encountered. Poor neighborhoods are less likely to have attractive natural amenities nearby. The wilderness vacations that enable urban dwellers with comfortable incomes to spend time in natural surrounding are often out of reach for financially challenged families.

Opinions that Bayview-Hunters Point residents have shared with the Park Project indicate significant support for the experiences a wetland would offer. Strong support was expressed in the workshops and in the in-depth interviews. Although many supported the wetland option for Industrial Landfill reuse because of its close association with an excavation clean-up remedy, a genuine desire was also expressed for a place where families could come to enjoy and learn about the natural world. Among the nearly 500 responses to the survey, there is significant support for the different activities that a wetland would offer: a combined total of 497 checks for nature trails, fishing, and bird-watching.

## Public health benefits of the natural environment

Recent research suggests that access to nature has important health benefits in addition to providing enjoyment. A number of studies have concluded that time spent in natural surroundings helps to overcome mental fatigue, counteract stress, improve general competence, and help people to focus attention. They document that contact with nature has significantly benefitted AIDS caregivers, children suffering from Attention Deficit Disorder, and elderly residents in nursing homes (Stephen Kaplan, *Some Hidden Benefits of the Urban Forest*).



Photos: [www.petalumawetlandspark.org](http://www.petalumawetlandspark.org)

Bayview-Hunters Point is not the only Bay Area community to consider creation of a wetland for the combined benefits of water treatment and nature reserve. On March 7, 2006, the San Francisco Chronicle reported on a wetland under construction in Petaluma to treat the city's sewage on 221 acres of marsh, riparian thickets and uplands. It is scheduled for completion in 2009. "The idea, which has been tried in small towns but never in a city the size of Petaluma, promises to change sewage from a municipal liability to a valuable natural resource that can help restore wildlife habitat."

# Shipyard WaterfontPark

## Project detailed study of a Parcel E wetland

In response to the many advantages of creating a wetland on the excavated site of the Industrial Landfill, the Park Project has undertaken a detailed study of a possible design. The study was prepared by FarWest Restoration Engineering, and is published as a separate report. It presents a 50% design phase, with design calculations, preliminary grading plans and a cost estimate for a perennial wetland system consisting of a forebay pond flowing into a pair of permanent wet ponds, that in turn flow into two freshwater marshes that ultimately discharge into San Francisco Bay.

This wetland has been designed to remove pollutants from stormwater runoff that are typical in urban areas: mineral and organic solid matter, fertilizer, oil, grease, and gasoline, pesticides, trace metals and minerals, and bacteria. It is made up of at least four different environments, each designed to attract particular species: deep (at least 4-6 feet) and shallow (1 – 3 feet deep) ponds, mudflats, freshwater marsh, and grasslands. Mosquito control measures are included in the design.

Public access and education would be provided by a system of trails, boardwalks and educational kiosks.



Illustration credit: InsideOut Design

Observation decks would allow people to view wildlife unobtrusively and observe wetland plants and wildlife. A nature center could offer exhibits and programs, including a volunteer program to monitor the bird populations.

Copies of the Wetland Report are available from Arc Ecology.

landfill reuse  
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