



Yerba Buena Center is located adjacent to the San Francisco downtown office and retail districts, and includes the George Moscone Convention Center. It extends from Market Street on the north to Harrison Street on the south and from Second Street on the east to the west property line along Fourth Street. Elements still under construction include the St Regis Museum Tower and the core of Central Block 1: Jessie Square, the Mexican Museum, Magnes Museum and Yerba Buena Lane.

# Artistic development

## The rise of Yerba Buena Gardens

Visitors to San Francisco have always been spoilt for choice: the Golden Gate Bridge, Alcatraz, Haight-Asbury, the trams, the streets around which Steve McQueen famously drove his Mustang in *Bullitt*. Up there with the most popular destinations in this great city is Yerba Buena Gardens, an area offering a mix of world-class art, leading-edge shopping, gourmet cuisine, cinemas, themed experiences, a major convention centre and top hotels, all clustered around a network of landscaped gardens. **Anna Brown**, Locum's Principal in San Francisco, investigates the development of this remarkable destination, and explores how the bodies responsible for its mix of elements work collectively to ensure the ongoing success of the destination as a whole.

In the 1960s, Yerba Buena Gardens was an area of dilapidated hotels, deteriorating commercial and industrial buildings and open parking lots, on the wrong side of San Francisco's diagonal divide, Market Street. Now, this is a thriving neighbourhood occupied by a diverse community of residents, visitors to cultural facilities and events, guests at the high-quality branded hotels, conventioners, shoppers, movie-goers, and office workers on a lunch break in the park. The district's vibrant heart is its public open space: a eight-acre network of landscaped gardens which are centrally maintained and managed. In 2001, over 220 free events were programmed in Yerba Buena's public spaces by Yerba Buena Arts & Events, an independent non-profit organisation funded in part by the San Francisco Redevelopment Agency.

This is an ongoing urban development success story, in a city not known for its modesty, and San Francisco has embraced the project and the facilities it is home to. Credit for Yerba Buena's success and continued growth goes first to the San Francisco Redevelopment Agency team led by Deputy Director Helen Sause and Senior Project Manager William Carney. But as Anita Hill, Executive Director of the Yerba Buena Alliance, explains, 'Everyone has pride in the area. It is the most diverse urban development project in the world, and we all work together happily.'

An example in practice: when a company is planning a special event for attendees of a conference based at the Moscone Convention Center, they are directed by Convention Center staff to a central directory of event spaces in the area maintained by the Yerba Buena Alliance. And if their requirements don't match availability at Yerba Buena Center for the Arts, for example, they will be referred on to another cultural or commercial space *within the Yerba Buena area*. Members of the Yerba Buena Alliance attend monthly meetings where they learn about issues and developments important to their neighbourhood. Member organisations cooperate and communicate through shared events, literature and signage encouraging visitors to see the multi-faceted *destination*, not just the hotel or cinema or art museum. Yerba Buena Gardens is definitely 'more than the sum of its parts'.

## Development history

Yerba Buena Gardens - the destination - is the result of an 87-acre mixed-use project (technically called Yerba Buena Center) kicked off by the San Francisco Redevelopment Agency in 1966. Construction is scheduled for completion in 2005, by which time \$2.5 billion will have been invested.

Development was halted for several years in the 1970s by a series of lawsuits by community activists, which reshaped both process and Master Plan. The agency's response resulted in a new approach to community involvement, and, ultimately, the creation of more than 1,750 high-quality affordable housing units (and approximately 750 market-rate units to date, with more under construction) to replace the sub-standard residential accommodation which the city was committed to clearing.

The challenges which faced the Redevelopment Agency also helped to spur imaginative spatial and financial planning. The project developed from a monumental 1960s vision of boxes, containing nine million square feet of office space and a set of civic amenities (convention centre, sports facility, etc), into the model of physical permeability, community engagement, and public/private partnership it now represents.

First and foremost among the creative solutions was the innovative approach of placing the convention facilities underground, in spite of the added expense caused by a high water table. This accomplished two goals: 1) elimination of the blight of the large, blocky, windowless buildings; and 2) the ability to provide double use of expensive and scarce urban land for community benefit in the central district of a geographically small peninsular city.

There are three 'Central Blocks' within Yerba Buena Gardens, which comprise 33 acres. The uses for these blocks now include major hotels, the gardens, retail, recreational, amusement, entertainment, parking, cultural facilities and a five-acre children's centre. These uses were endorsed by decision-makers and set forth

### San Francisco Redevelopment Agency

The San Francisco Redevelopment Agency was established in 1948. At that time, functions were carried out by a number of City departments. In the late 1950s the Agency was restructured as a separate organisation, with a charge to pursue new development aggressively.

The early 1960s witnessed the beginning of the federal government's period of aggressive intervention in America's cities. From the early 1960s to the mid-1970s, the Agency was as much a tool of federal urban policy as local policy. The influx of federal money and regulations accompanied the initiation of the Agency's most controversial projects, including Yerba Buena. The notion of clearing large urban areas, which is now viewed as unacceptable, was the conventional wisdom of that time. This period of implementing controversial federal urban policy was followed by another period in which few new projects were initiated.

In 1989 the Agency began to use tax increment financing as a major source of funding, under a policy requiring that half of the Agency's tax increment be used for affordable housing. This led to the Agency becoming the city's principal provider of affordable housing funding. At the same time, earthquake damage to housing in the Sixth Street corridor led to the initiation of the new South of Market (SoMa) redevelopment project. This was the first project focused primarily on affordable housing development.

In the 1990s, seven 'survey areas' were identified, and the Agency began to explore the appropriateness of redevelopment. The Federal Office Building, Hunters Point Shipyard and Mission Bay are now project areas. Treasure Island has been transferred to the jurisdiction of the Treasure Island Development Authority. The Transbay, South Bayshore (Bayview Hunters Point) and Mid-Market survey areas continue to be studied.



SF MOMA building, viewed from Central Block 2. The building, designed by Mario Botta, opened to the public in 1995.

in a Master Plan and an agreement in 1984 with the master developer, Olympia & York, Marriott & Beverly Willis (YBG, LTD). The first phase of the plan, the 1,500-room Marriott Hotel, was completed in 1989.

In November 1986, voters approved bond funding for the expansion of the Moscone Convention Center to add 330,000 square feet of exhibition space under Central Block 2 and meeting rooms on top of Central Block 3. This expansion was completed in 1992, and in accordance with the Master Plan the Agency constructed six acres of gardens and two cultural buildings on Central Block 2 (the Yerba Buena Center for the Arts, which opened in 1993).

Another challenge turned to good effect for Yerba Buena came in 1993, when the original private developer's option was terminated due to financial difficulties elsewhere in their portfolio. This left the Redevelopment Agency with 'forfeited' funds which they were able to transform into a significant contribution towards the \$40 million capital cost of the Yerba Buena Center for the Arts.

The San Francisco Museum of Modern Art moved into its striking new building adjacent to CB-2 in 1994 (the cultural organisation was responsible for the capital cost of the building, but purchased the land parcel for \$1 from the Redevelopment Agency), and soon after galleries and smaller arts organisations began to cluster around the magnet created by SF MOMA and YBCA. The Redevelopment Agency's commitment to develop public amenities was borne out by the creation of the children's centre on CB-3.

Meanwhile, a new private sector developer partner had been found to develop what is now the Sony Metreon, on CB-2. The Agency later sold to the same developer, Millennium Partners/WDG

## Yerba Buena Alliance

Founded in 1991, the Yerba Buena Alliance is a not-for-profit membership organisation whose diversity reflects that of the Yerba Buena Gardens (YBG) neighbourhood. Members include cultural organisations, educational institutions, commercial and recreational entities, residential complexes, hotels, public agencies and individuals in the redevelopment project area and its environs.

Represented on the Alliance's Board are the property developers who are active partners in YBG (Forest City Development, Millennium Partners, The Related Companies of California), one of several branded hotels (Marriott), the commercial Metreon complex, the area's primary cultural attraction (SF MOMA), an educational research agency (WestEd), the Redevelopment Agency and the Yerba Buena Gardens management and maintenance company.

The Alliance is committed to supporting and enhancing the continuing revitalisation of YBG, to creating a sense of community throughout the YBG neighbourhood, and to ensuring stability and maintaining the vitality of the area. The Alliance promotes YBG and serves as a forum and contact point for the neighbourhood. The Alliance also takes non-political advocacy positions on issues of importance to the goals and objectives of the YBG community, such as transportation, development, and quality of life.

Companies, the land parcel facing onto Market Street on CB-1 for the Four Seasons Tower (commercial, hotel and residential), which was completed last year. Millennium Partners will also create a public walkway from Market through to Mission Street ('Yerba Buena Lane') which will showcase speciality retail units. The Agency retains lands ownership in the case of both Sony Metreon and Yerba Buena Lane projects (as with the Marriott Hotel).

## The Yerba Buena effect

The San Francisco Redevelopment Agency continues to pursue both economic development and 'quality of life' agendas, through work with a number of citizen committees on the ongoing development of Yerba Buena Gardens. These include the Yerba Buena Alliance and the Boards of three cultural facilities, as well as the oversight committee for the entire project, the YBG Policy Advisory Committee. The Agency also funds the security, operation and maintenance of the public spaces of Yerba Buena Gardens and - crucially - of Zeum and the Yerba Buena Center for the Arts.

In essence, the Agency's continuing role allows the cultural and community programmes of the area's non-profit organisations to flourish. For example, YBCA raises, through donations and earned income, the \$4-4.5 million it needs to support its annual programme. Not much less is spent on YBCA's 'overheads' by the Redevelopment Agency. John R. Killacky, Executive Director of YBCA, says simply, 'It allows us to focus on the art'.

The Yerba Buena Center for the Arts opened eight years ago promising 'to include, respect and celebrate the people and ideas that energize our myriad communities; to present exciting local artists in context with their national and international peers; and to provide the Bay Area with an eclectic and wide-ranging slate of exciting exhibitions, performances, films and educational programs'. This vision continues to be fulfilled, largely thanks to the physical and financial structure provided by the wider development.

Unusually for a contemporary arts centre, the YBCA is central to the feel of the Yerba Buena 'campus', sitting comfortably next to a commercial entertainment / retail destination (Sony Metreon), other arts institutions (most notably SF MOMA) and a growing retail quarter. John Killacky knows the mix of uses found in Yerba Buena Gardens reflects the mix of activities in his visitors' lives - and that bringing people back to the district for different reasons on different days will benefit everyone. His market, like his neighbours', will sometimes go to a film, sometimes to a gallery, sometimes to a restaurant or public outdoor event. As John Killacky put it, 'We are only as strong as our neighbours - it's not a competition.'

YBCA's 250,000 annual visits are surely supported by its increasingly familiar location, despite the fact that there is little actual cross-over with Metreon, say, on a given day. A recent survey of the general public revealed that 82 per cent of San Francisco residents think of this nine-year old contemporary arts centre as a 'major cultural institution' - which means that Yerba Buena Center for the Arts is trading on the increasing strength of Yerba Buena name (which, of course, it helped to build).

And now, thanks to the efforts of the Redevelopment Agency, the Yerba Buena Alliance, Millennium Partners and the cultural institutions which took up residence early in the accelerated history of Yerba Buena Gardens, it has achieved what Locum calls the 'destination effect' (see the piece on this in the Spring 2002 issue of *Locum Destination Review* for a full explanation of the 'virtuous spiral'). If it is needed, proof that Yerba Buena Gardens is still on the upswing can be found in the fact that new institutions and partners

are 'clamouring at the gates', knowing the long-term benefits of getting in at this stage are still immense. The implications and lessons of this success are explored further in James Alexander's accompanying article.

## A mix of bespoke solutions

The Redevelopment Agency team has broad powers to develop the right financing package and mechanism for each parcel of a project, and they have used this to great effect here. One important strand of the funding mix is the Agency's ability to issue bonds that are repaid using their tax increment allocation (whereby the Agency has access to up to 60 per cent of the 'incremental benefit', i.e. the uplift, generated by the redevelopment project in annual property tax revenues to the City, *measured from the project's inception in 1966*). The use of tax increment bonds has proved to be particularly valuable to foster public/private partnerships.

For example, the St Regis Tower is emerging at Third and Mission on land sold by the Agency to a private developer. The Tower will include a hotel, restaurants, meeting space, residential and - in 20,000 square feet leased back to the Redevelopment Agency on a long-term basis - the Museum of the African Diaspora. The Agency also intends to use bond financing to fund the fit-out of the space and support the development of this new cultural venture.

Meanwhile, rental income from parcels leased by the Agency to commercial partners continues to grow. Millennium Partners, for example, has lease agreements with the Agency covering the Sony Metreon and the future Yerba Buena Lane, intended to display a specially selected group of independent retail tenants. In both cases the developer sub-leases the retail spaces, and the Agency's income is determined by a combination of base rent and a share of turnover, reviewed at regular intervals. This income stream is dedicated to the security, operation and maintenance of the Gardens, and to the operational overheads of Yerba Buena Center for the Arts and Zeum.

San Francisco Convention & Visitors Bureau Photo



The Moscone Center is already San Francisco's premier meeting and exhibition facility, currently offering 1.2 million square feet on two adjacent 11-acre blocks. Owned by the San Francisco Redevelopment Agency and developed by the City and County of San Francisco, The Moscone Center is managed by SMG.

Scheduled to open in 2003, Moscone West (pictured) will add another 300,000 square feet of state-of-the-art, functional meeting and exhibition space to the existing Moscone South and North facilities. The \$191 million building will be a window into San Francisco's vibrant convention and trade show industry and vice versa. Bookings for the new block are already strong.

The children's centre on CB-3 includes child care facilities, an ice skating and bowling centre, an arts and technology attraction called Zeum, the historic Playland-at-the-Beach carousel and a two-acre interactive play garden.



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Anne Collier, Convergence #1, 2002

*This is an image from Bay Area Now 3, YBCA's critically acclaimed triennial festival of local visual, performing and film arts. Bay Area Now 3 draws from the Center's unique multidisciplinary approach to the arts, featuring a riveting survey of visual arts by 30 artists working across a diverse range of styles and media; engaging dance and theatre presentations; film/video works; and education and community programmes that include Bay Area Now Live!, a series of weekly events spotlighting other local treasures from the arts community. On view from 26 October 2002 through 12 January 2003.*

Hotel tax revenue bonds will be issued to fund a portion of the capital cost of the new Mexican Museum by architect Ricardo Legorreta. The Mexican Museum is expected to be self-supporting. Also on Central Block 1, the Jessie Street Substation (a 1907 power station), which will be sold for \$1 to the Jewish (Magnes) Museum for their own Daniel Libeskind-designed transformation (in an arrangement similar to the one made with SF MOMA when they purchased their site).

## Quantifying the benefits

At a glance, it is clear what a cultural institution, for instance the Mexican Museum, is getting from the Redevelopment Agency and the Yerba Buena Gardens project as a whole: a location in a thriving 'cultural quarter' with increasing name recognition, an iconic building set in an architecturally exciting context, attractive and active public spaces, proximity to several successful hotels and the ever-expanding convention centre (with the corporate hire income that may bring), and so on. But what is the City getting back? Without a doubt, there is a strong impetus throughout the history of Yerba Buena Gardens towards 'public good' projects, and extensive commitments to cultural and community groups have been honoured, but what is most striking now (as the redevelopment nears completion) is that the return benefits are not all intangible.

A 1999 Economic and Fiscal Impact Study undertaken by Sedway Group looked at the impact of activities within an area extending beyond the boundaries of the redevelopment project to include surrounding blocks. The study findings demonstrate that Yerba Buena's cultural facilities are strong economic generators in themselves, and that they collectively anchor a district which continues to attract substantial private investment and generate increasing economic benefits for the City.

Sedway Group's Economic and Fiscal Impact Study highlighted the following conclusions:

- In the study year, the Yerba Buena impact area supported 1,143 establishments, responsible for generating direct and

### Yerba Buena Gardens

'Yerba Buena Gardens began as a traditional urban renewal project; today, it is a visionary arts-, community-, and real estate-driven success story. The San Francisco Redevelopment Agency, with a series of innovative funding mechanisms and projects and a wide variety of public/private partnerships, has been pivotal in turning SoMa from a once-blighted section of the city into a wonderfully diverse mixed-use community.'

**Jury Comments, The Urban Land Institute (ULI)  
Award for Excellence 2001**

indirect annual employment of 23,000. (This excludes the area's largest employer, Pacific Bell, which located here prior to any arts or cultural developments.)

- The direct and indirect annual sales of these establishments totalled \$1.8 billion.
- Annual spending in San Francisco from the visitors staying at the area's five major hotels was estimated at \$118.5 million. (When the St Regis Tower is complete there will be an additional five hotels opened in the few years since the study, and we can assume that this visitor spending figure has increased correspondingly.)
- Annual retail sales to local residents were estimated at \$16.2 million, projected to increase to \$46.1 million with the completion of current residential developments.
- In 1998 the Yerba Buena area generated an estimated \$57.9 million in annual tax revenues to the City. Again, this can be expected to have increased significantly in only four years, given likely growth in hotel tax, sales tax and property tax revenues.

The study quantified the share of each of these impacts attributable directly to cultural organisations. The estimated total (direct and indirect) economic impact of the area's arts institutions (including the growing number of commercial galleries) was \$85 million in the study year.

The Redevelopment Agency's investment, commitment and strong leadership continue to support the rise of Yerba Buena Gardens. Tangible economic benefits attest to the growth of a new San Francisco destination for tourists and businesses.

This project also demonstrates the long-term effectiveness of strong partnerships with the private sector and with community groups. Innovative financing tools have been central to building those partnerships, and will continue to support the Agency's ongoing (and very different) work elsewhere in San Francisco.

In the next piece, James Alexander considers the future in the UK, where the history of Redevelopment Agencies is quite different but the opportunities for public/private partnerships to create or regenerate culturally-anchored destinations are just as great.