

On the Waterfront

FOUR LOCAL CITIES REDISCOVER FORGOTTEN SHORELINES

by Deanna Broxton

Past decades have seen a resurgence in waterfronts as a community asset. Local governments and developers are tapping into a neglected resource that can bring economic vitality to a city, provide social and recreational outlets, and breathe new life into otherwise blighted areas.

Whether located on an inland river or ocean port, historically, waterfronts were centers of commerce and trade frequently located close to city centers. Often their main focus was on the transportation of goods via waterways. Later, they became industrial centers where manufacturing of goods and transport of cargo was common. As local economies shifted away from industrialism, waterfronts have largely been neglected and fallen into decay.

"From the turn of the last century, through the 1950s and 1960s — until now — there was a turning away from waterfronts. Now we're really in the process of rediscovering them and bringing those assets back into the value of the city," says Scott Preston, marketing director for EDAW in San Francisco.

Sacramento, Stockton, Vallejo and West Sacramento are four local cities

with waterfronts in various stages of decay — and each has launched efforts to reclaim them. Although the cities have their own sets of challenges, they share common goals: boosting the local economy; creating vibrant urban centers; using the waterfront to reconnect outlying communities to downtown; and attracting more residents to the area who desire to live, work and play near the water.

Stockton

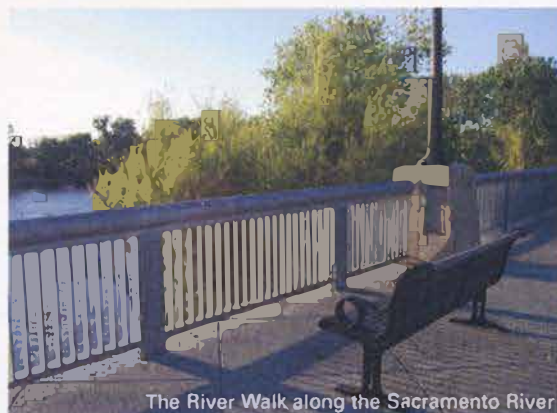
Stockton's waterfront was once a stopping point for gold miners traveling to the Mother Lode to make their fortunes. As commercial and retail outlets have replaced the waterfront's flour mills and steamers carrying freight and passengers to and from San Francisco, city leaders are banking on the redevelopment of the downtown waterfront to serve as a catalyst for economic prosperity and a lure for developers, tourists and locals to the city.

After 30 to 40 years of public debate surrounding the development of the wa-

terfront and downtown, some progress was made when the former City Manager Mark Lewis spearheaded development efforts that resulted in the construction of the Stockton Arena, the ballpark and seven-story parking structure. Another successful commercial waterfront project on Weber Street is the Waterfront Warehouse located on the south bank in the historic Sperry Flour Mill building. The warehouse, which is home to restaurants and government offices, was ahead of its time when it was built in the 1980s.

However, a housing slump has stalled much-needed residential projects in the downtown core, as has more political infighting, says Stockton Chamber of Commerce CEO Doug Wilhoit, who is disappointed with the lack of progress along the waterfront.

"Part of the problem is the naysayers and those who didn't support the city council. They said 'Oh we can't spend this money.' They don't understand that in business you have to spend money to make money. You have to take risks. You have to invest in the future, you have to



The River Walk along the Sacramento River



Grupe's SouthPointe plans in Stockton are put on hold for now.

"In business you have to spend money to make money. You have to take risks."

*— Doug Wilhoit, CEO,
Stockton Chamber of Commerce*

be visionary and you have to have courage," Wilhoit says.

Steve Pinkerton, director of Stockton's Redevelopment Department says the city council wants the city to have a core that not only serves as a government center, but also provides entertainment, upscale housing and recreation.

"We're only as strong as our core. The lack of a strong center negatively impacts the entire community," Pinkerton says. "A community doesn't feel good about itself if what is supposed to be the heart of your city — the historical center — is decaying."

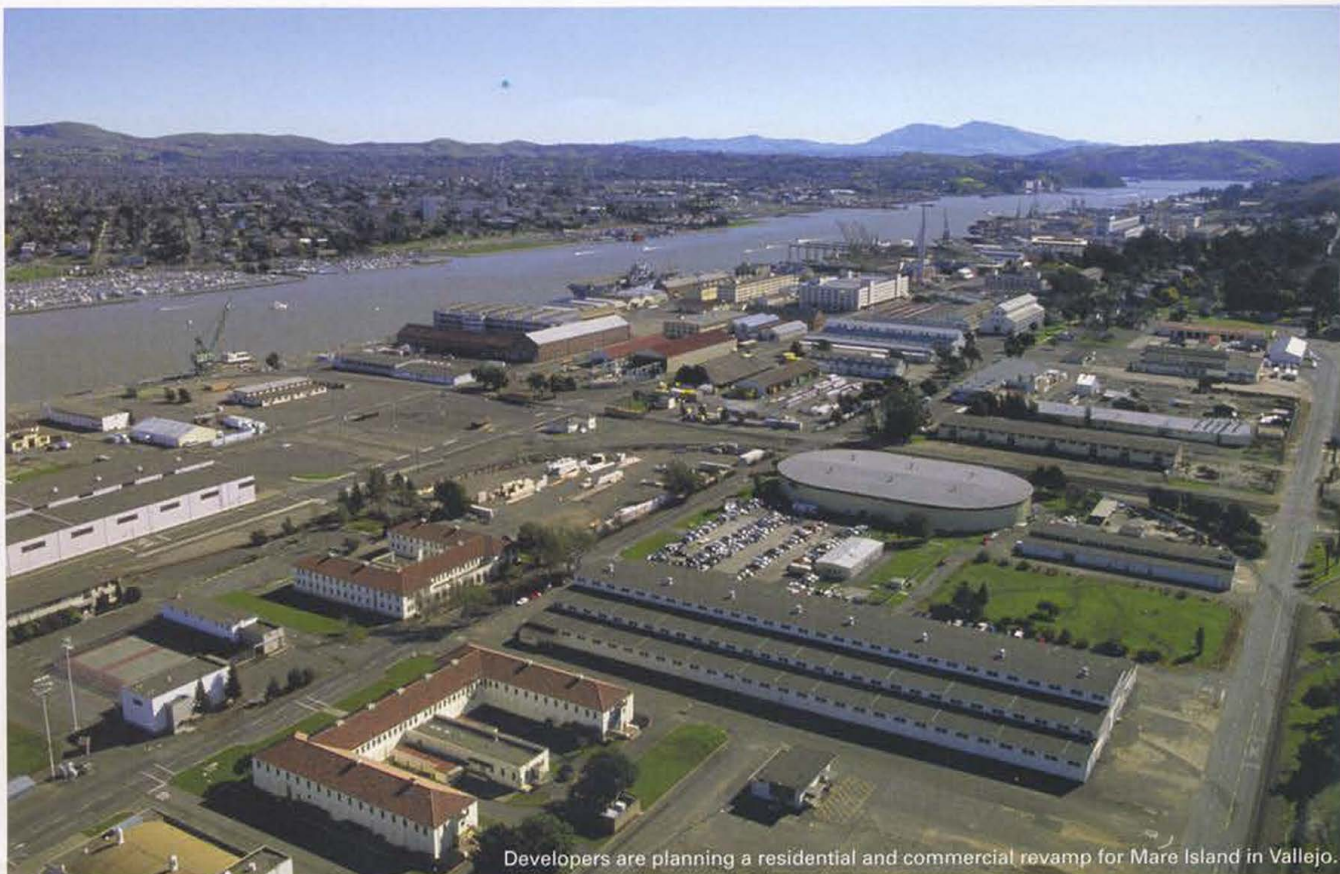
However, Pinkerton readily admits the reality of the current housing market makes boosting the local economy by enticing developers to build downtown difficult. As a remedy, the city hopes to attract them by paying upfront soft costs — fees for appraisals, traffic studies, infrastructure and environmental studies.

Funding has delayed the construction of a new marina until 2008. And the downturn in the residential housing market is a major hurdle that has put some badly needed waterfront housing projects on hold like Grupe Co.'s SouthPointe. The \$50 million, 152-unit luxury condominium project is slated for the

southern waterfront. Grupe hasn't abandoned the project, says Shane Hart, Grupe's senior vice president. Hart says the project is the only offering of its kind in Stockton — downtown, urban contemporary living — though the company plans to hold off construction until late 2009 or 2010, should the market rebound.

The market has not affected projects like the construction of a new boat launch this fall; the hotly debated Paragary's Restaurant planned for the ground floor of the Hotel Stockton; or even the Sheraton Stockton Hotel at Regent Place, located on the waterfront's north shore and scheduled to open in late October. The hotel is expected to be a social center for downtown, with standard hotel rooms and 42 luxury condo units on its top three floors. It's also negotiating with the city to build a conference and events facility across the street from the hotel on the site where the Employment Development Department is currently located, says Jeroen Gerrese, the hotel's vice president and general manager.

Projects further away from the city core are also booming. Contrary to Pinkerton's assertions, the success of Stockton does not rest so heavily on



Developers are planning a residential and commercial revamp for Mare Island in Vallejo.

downtown waterfront development. People are investing in other parts of town, says Wilhoit. Areas like the "Miracle Mile" on Pacific Avenue, a pedestrian-friendly shopping district with its forthcoming Stonecreek Village are transforming the city a couple of miles away. Stonecreek is Stockton's first upscale lifestyle shopping center that combines the traditional retail offerings with leisure amenities targeting upscale consumers.

"What we have to continue to do is show Stockton as a city of the future that we're moving forward, but the most important thing is that the city council and city leaders must hold the course and not let a small few intimidate them into not moving forward," Wilhoit says.

Vallejo

At a time when Vallejo's city staff says the city needs to redefine its future, the housing slump, lengthy approval processes and funding issues threaten to delay the city's waterfront development efforts.

"One of the purposes of redeveloping Vallejo's waterfront is to help reconnect the city's downtown to the waterfront and Mare Island," says Bonnie Robinson-Lipscomb, community development analyst with the Vallejo Economic Development Department. "Vallejo has to see itself in a new way since the closure of Mare Island Naval Base. While the base is part of our vital past, there's a need to look to the future. The city is asking itself how it can move forward as a waterfront city."

Previously known as a navy town, the closure of Mare Island Naval Base caused a loss of jobs for the city [See MARE ISLAND page 80]. And just like the city of Stockton, Vallejo desperately needs to build up its tax base, which translates into needing more people, businesses and market-rate housing. Officials had hoped a residential town home project proposed by developer Callahan-DeSilva Vallejo would do just that. But the community's emotional tie to the waterfront's open spaces and concern over building heights and

destruction of wetlands led to a lawsuit against the Vallejo Redevelopment Agency and the developer by the Vallejo Waterfront Coalition.

The lawsuit's settlement provides more open space, preserves wetlands and reduces building heights along the waterfront. But in the interim, the housing market took a dive, slowing the housing project to a halt. Although the developer has already advanced the city more than \$7 million, which it has yet to recoup, Callahan-DeSilva project manager Leah Dreger says the company believes in the viability of the project.

"We're primarily a residential developer, but the economic revitalization aspect of this project appealed to us," Dreger says.

Yet as optimistic as key players are about getting the waterfront redevelopment master plan off the ground, it has taken 10 years to get the plan approved, and the tax base doesn't support gathering funds for public improvements. Consequently, little progress has been made along Vallejo's blighted waterfront.

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Township 9 in Sacramento

Mare Island shares the opposite waterfront view and also suffers from blight, though some signs of progress are showing. Much of the island's development — by Lennar Mare Island LLC — focuses on restoring many of the historic buildings for commercial and office use and building new residential housing subdivisions.

Another important element of Vallejo's waterfront plan is its ferry system, a source of alternative transportation for commuters to San Francisco. "Redevelopment is crucial as Vallejo pioneers the concept that your waterfront is a critical transportation link," says Robinson-Lipcomb.

The ferry system is a key component of the Vallejo Transit Station, which will house a bus transit center and a 1,200-car underground garage lined with commercial retail. With federal funding in place, the city hopes to begin construction in 2008 or 2009.

Sacramento

The desire to capitalize on the region's greatest assets — the Sacramento and American rivers — and reconnect residents to the water are some of

the key factors driving the redevelopment of the Sacramento and West Sacramento's waterfronts.

Both cities are establishing the riverfront as a place for vibrant urban districts where people can shop, work and live. These include retail, high-density residential housing, commercial and office, recreational and entertainment uses and linkages into adjacent communities along the river.

The city of Sacramento is currently revamping its general plan to accommodate development through 2030. The plan calls for an exponential number of housing units in the city, including the recent approval of Township 9 in the River District.

Township 9 is a mixed-use project being developed by Capital Station 65 LLC. Located at Richards Boulevard and North Seventh Street, it will include 2,300 high-density housing units and 800,000 square feet of office space. The proposed buildings will preserve the integrity of river views and incorporate green technology in an urban village setting that is very livable and safe — the first project of its kind along the riverfront. Demolition of the site will begin in three to four months.

"We're pushing the envelope in terms of high density housing because there isn't any along the American River — the jewel of the region," says Steve Goodwin, principal with Capital Station 65. "We've designed something that we thought would be great for Sacramento. We're creating a whole environment for people to live in where you can be there for a couple of days and never have to leave. The closest thing we have to an urban village is our midtown."

Even though Township 9 has been approved and is ready to move forward, there are two major challenges facing the progress of waterfront redevelopment in Sacramento and West Sacramento — flood control issues and costly brown-field cleanup.

"We're in a catch-22," says Beth Tincher, city of Sacramento senior project manager. "Various agencies are trying to determine what level of protection we need, and they'll establish the guidelines for development. Currently our levees meet 100-year flood protection, but there is a series of studies that's re-evaluating the levees and recertifying them for 200-year protection. Until those guidelines are approved, it's difficult to get anything approved as far as development is concerned." It could take two to three years for those guidelines to be established, she adds.

West Sacramento

What was once a way station for people traveling across the Sacramento River, a source of water for the community, and a location for agricultural industrial uses, is slowly evolving into what the city hopes will be a thriving, economically viable urban center for the region. West Sacramento has its own set of challenges, yet it can also tally some victories in reclaiming its aging waterfront.

With the city surrounded by water, flood control is high priority. City council recently approved a contract to design the first phase of the new improvements for flood protection, says West Sacramento Development Director Val Toppenberg.

West Sacramento's waterfront largely consists of deteriorated industrial

continued on page 65

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sites and railyards that prohibit public access to the river. It is a slow process toward creating new access to the river as well as constructing development that takes advantage of the city's proximity to downtown Sacramento.

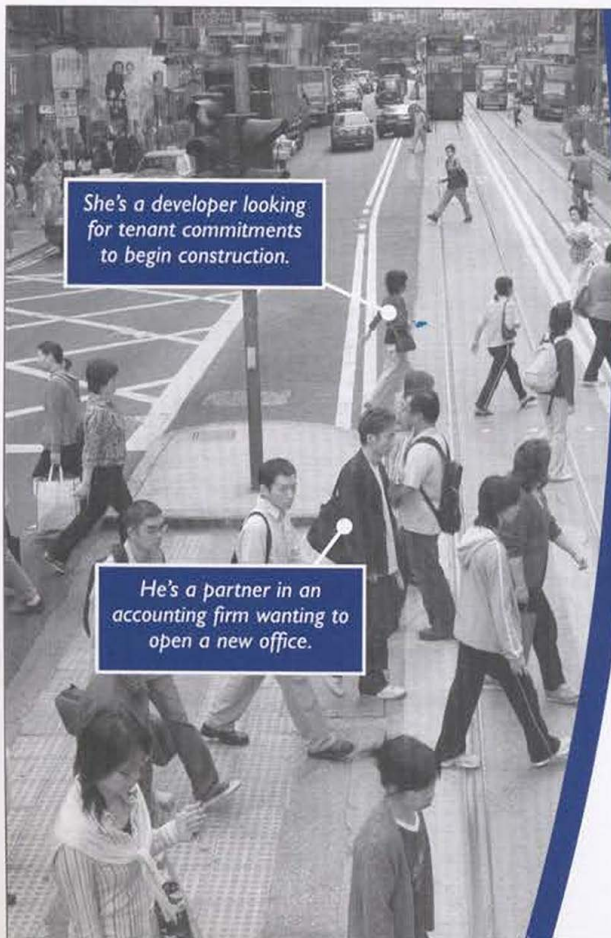
"Having the waterfront here in West Sacramento is why we are here in the first place. It's our job to take advantage of this idea that the Sacramento River is an important asset to West Sacramento," Toppenberg says. "We're looking for more public kinds of uses. We're looking at our master plans and in our development activities to take advantage of people's desire to be close to the water."

While the city would like to have a mix of housing, retail, office and recreational facilities comparable to other successful waterfront cities like Portland, much of what has been done consists of urban, high-density residential housing surrounded by blighted industrial sites which are costly to clean up.

Although the current residential market conditions may stall a 150-unit



Plans in West Sacramento call for an urban center.



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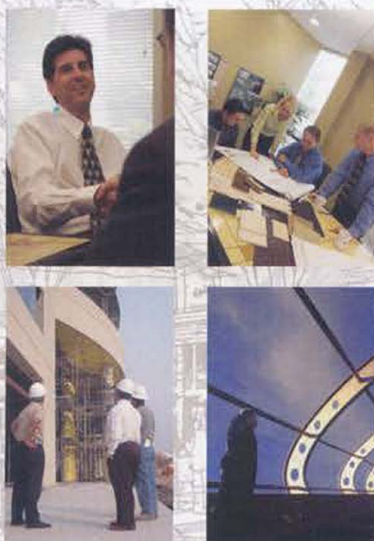
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condo project proposed by Fairfield Development. West Sacramento can boast about some noteworthy projects like the California State Teachers' Retirement System headquarters high-rise under development by Panattoni Development Co. With clear views of the river and downtown, the 19-story building is scheduled to open spring 2009 next to the Ziggurat pyramid.

High-density residential projects like Metro Place at Washington Square have shown some success along the river. But the most recent notable project near Raley Field is Iron Works in the triangle area. Designed to entice more developers to a former industrial area — which is still close to a railyard switching station — Iron Works offers detached lofts and apartments. Although building in the triangle is costly, Toppenberg says, projects like Iron Works will also help bring in the kind of tax-increment revenue that the city's redevelopment agency needs to fund its projects. Some projects have been funded with state and federal grants as well as private sources.

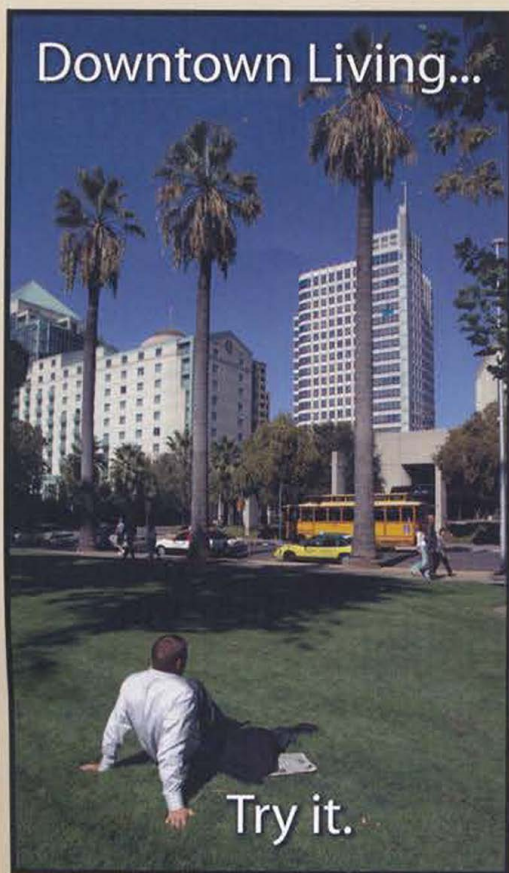
Waterfront development is essentially the same wherever you go, whether it's West Sacramento or Portland, says Allen Folks, EDAW principal and vice president. What they all share in common is waterfront sites connected to downtown cores that were once vibrant.

"It doesn't matter whether you're working on a project in Pittsburg, St. Louis, Cincinnati or Sacramento. The issues are the same," says Folks. "There is such a strong attraction and pull to be near the water. And there is a very strong desire to make these inviting and appealing spaces for everyone."

Preston says waterfront development projects bring together the elements that are most important — revitalizing urban cores and cleanup and reuse of brownfield sites.

"Brownfield redevelopment and reuse are a good fit for what we look for because they're challenging and have the benefit of reintroducing brownfield sites for productive use back into the city," says Preston. "It's rescuing what is often considered important and valuable assets of waterfront projects."

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