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Trying to Build the Grand Central of the West

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SAN FRANCISCO - The Transbay Terminal is sometimes referred to by planners and developers here as the missing tooth in a smile. Situated in the rapidly growing South of Market neighborhood, the once-busy rail hub has slowly deteriorated into an underused bus station even as surrounding areas have been transformed by office and residential towers; SBC Park, where the Giants play baseball; and cultural institutions like the San Francisco Museum of Modern Art.

The first plan to redevelop the Transbay Terminal into the "Grand Central Terminal of the West" was released in 1967 and many plans since have collected dust. But the formation of the Transbay Joint Powers Authority in 2001 to push the project has begun to produce some notable results.

The authority announced this month an international competition to select an architect and developer to design and build not only the five-level, 600,000 square-foot terminal but an adjacent 850-foot tower that is expected to be as symbolic for South of Market as the Transamerica Pyramid is to the central business district, which is north of Market Street.

The competition, guided by conceptual designs unveiled on Dec. 19, is a result of two advances: the settlement of a major lawsuit over a land dispute that had the potential to delay the Transbay plan for years, and the adoption of a high-density master plan, devised by Skidmore Owings & Merrill, to redevelop the surrounding 40 acres and provide much



Maria Ayerdi is the executive director of the Transbay Joint Powers Authority.

of the financing for the terminal and tower.

"Having worked on this for 10 years, once you start unveiling conceptual designs, you really start to see the value and the impact this project will have on the entire region," said Maria Ayerdi, the executive director of the Transbay Joint Powers Authority. "But it took time to get here. Some of the transit groups I work with have been working on this since before I was born. The reason the project had languished is because there are so many stakeholders that need to talk to each other and agree."

The Transbay Terminal - expected to be complete by 2013, three years sooner than previous projections - will serve nine Northern California counties and various transit agencies both public and private, including trains, subways, buses and ultimately, it is hoped, high-speed rail to Los Angeles. The surrounding 40-acre area, much of it opened up after highways damaged in the 1989 earthquake were demolished, is to become San Francisco's most densely populated neighborhood, based on a planning model known as Vancouverism.

Named after the city in British Columbia, Vancouverism is characterized by tall, but widely separated, slender towers interspersed with low-rise buildings, public spaces, small parks and pedestrian-friendly streetscapes and facades to minimize the impact of a high-density population. The Transbay neighborhood would have an estimated 350 people an acre, whereas the typical residential neighborhood with four-story flats has about 60 people an acre.

"In San Francisco, there's been a concern about high density and its impact on the historic character of the city," said John Kriken, who developed the Transbay master plan at Skidmore Owings & Merrill.

"One of the keys to the plan's acceptance," he said, "was that we added parks, little narrow-lane streets, and instead of allowing tall buildings to block sun and views, we proposed very slender and widely spaced towers so the views could continue to the bay."



Plans are under way to redevelop the once-busy Transbay Terminal in San Francisco.

The entire project - the terminal, adjacent tower and the accompanying infrastructure - is projected to cost \$4.35 billion, with roughly half of the financing coming from private development in the Transbay master plan area and the rest from local, state, and federal governments and from user fees.

While the Transbay plan has dragged on and even seemed to teeter on the edge of extinction, development South of Market has marched forward. With long-planned projects finally coming to fruition, coupled with the more recent hot development market, the distinction between north and south of Market Street has blurred considerably. Once considered a less-expensive alternative for low-profile companies and high-tech start-ups, South of Market has recently welcomed notable corporations like Deloitte & Touche, J. P. Morgan Chase and KPMG, who all moved south into new and redeveloped towers.

"It was a daring move for a law firm," said Joseph Malin, a partner at Orrick, Herrington & Sutcliffe, which moved from the central business district to a 10-story Class A space South of Market in 2004. "The location is nontraditional and the building itself is quite a departure from the firm's old offices."

According to Newmark Pacific, San Francisco's largest commercial real estate brokerage firm, 23 of its major financial, legal and brokerage clients have relocated from the central busi-

ness district to South of Market in the last five years, absorbing more than three million square feet of Class A office space. While there is still a difference of about \$10 a square foot in annual rent between Class A space in the traditional central business district and South of Market, real estate developers expect that gap to close as the Transbay Terminal area fills in.

"If we start seeing brand-new high-rise buildings being built only South of Market, rents could surpass downtown," said David Wall, president of Fremont Properties, part of the Fremont Group, which has developed an estimated four million square feet of commercial space South of Market since the 1960's. In fact, the last suitable parcel for a high-rise office tower in downtown San Francisco is under development, rendering South of Market not just an alternative but the only alternative for new development.

Entirely new neighborhoods South of Market are, meanwhile, progressing rapidly. Mission Bay, for example, is preparing for 6,000 new residential units, over 50 acres of parks, six million square feet of commercial space, and a 43-acre medical campus for the University of California, San Francisco. Nearly 2,100 units of owner-occupied, rental, low- and moderate-income and student housing are already done or under construction, and more than a million square feet of commercial and academic space

is in motion as well, according to a report issued by the San Francisco Planning and Urban Research Association, a 50-year-old nonprofit planning group.

Last May, the city adopted a plan for Rincon Hill, just south of the Transbay Terminal area. The plan calls for 2,200 new housing units in addition to the approximately 1,500 already approved or built. "The most dynamic area right now is Rincon Hill," said Jeffrey Heller, principal of Heller Manus, an architecture and development firm based in San Francisco. "We have three major residential projects in Rincon Hill, one under construction. South of Market is finally blossoming as the urban center it should be."

The other major site of redevelopment just west of Transbay, which was 30 years in the making, is Yerba Buena, and its final piece has just been finished with the December opening of the St. Regis Hotel. Yerba Buena, a huge redevelopment area, includes the Moscone Convention Center, the museum of modern art and the Yerba Buena Center for the Arts.

"The naysayers said Yerba Buena would never get done," said Monica Finnegan, managing principal of Newmark Pacific. "The same is true with Mission Bay, which was just a plan on a roll of paper 15 years ago. It will be rewarding to prove the naysayers of the Transbay Terminal wrong, too."