Petco Park: Evaluating Economic Health of the Dining Establishment Industry in the Vicinity of a Downtown Major League Baseball Stadium

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PETCO PARK: EVALUATING ECONOMIC HEALTH OF THE DINING ESTABLISHMENT INDUSTRY IN THE VICINITY OF A DOWNTOWN MAJOR LEAGUE BASEBALL STADIUM

A Thesis Presented

by

GEORGY SHUKAYLO

Submitted to the Graduate School of the University of Massachusetts Amherst in partial fulfillment of the requirements for the

Master of Regional Planning

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Landscape Architecture and Regional Planning
PETCO PARK: EVALUATING ECONOMIC HEALTH OF THE DINING ESTABLISHMENT INDUSTRY IN THE VICINITY OF A DOWNTOWN MAJOR LEAGUE BASEBALL STADIUM

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Foreword

Before commencing my master’s thesis, I would like to express my appreciation and gratitude to my thesis committee, especially my chair, Dr. Henry Renski. The refinements and ideas coming from Dr. Renski, as well as Dr. Mark Hamin, Professor Emily Must, and Professor Wayne Feiden persuaded me to reflect in action and make my thesis topic more concentrated. By narrowing down the scope of research, I was able to discover things I never thought I would have. Reviewing my drafts and assisting me with my research has been especially strenuous under the current conditions (although none of my thesis committee members have shown it, a series of lockdowns issued in March of 2020 affected all).

I would also like to thank my parents for their unwavering support, my fellow colleagues for the experiences shared in the LARP program in the Regional Planning Studio and beyond, and all professors that I have learned from in my eleven semesters at the University of Massachusetts Amherst. Without all of these people, it would not have been possible for me to become who I am today and for this thesis to be relayed to further generations of students and the whole wide world.
Abstract

PETCO PARK: EVALUATING ECONOMIC HEALTH OF THE DINING ESTABLISHMENT INDUSTRY IN THE VICINITY OF A DOWNTOWN MAJOR LEAGUE BASEBALL STADIUM

FEBRUARY 2021

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This thesis analyzes the economic health of the dining establishments in Downtown San Diego, CA, specifically in the vicinity of Petco Park. Opened in 2004, Petco Park is home to the San Diego Padres, a Major League Baseball franchise. In addition, it serves as a venue for outdoor concerts and shows. The venue is used for most of the year due to an expanded Major League Baseball schedule, especially compared to other professional sports. Much of the transformation of San Diego’s Downtown can be attributed to the late 1990’s East Village Revitalization Plan, which included municipal anchors like the San Diego Central Library, the San Diego Convention Center, and Petco Park.

By looking at the restaurant industry as of 2019, this thesis strives to provide a better understanding of how an urban entertainment anchor provides grounds for mutually beneficial conditions to small businesses. Additionally, this
thesis integrates the concept of economic health into the larger field of knowledge around urban professional sports stadia. Further, this thesis aims to burgeon a framework for taxonomic research of professional sports stadia.
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Chapter 1. Introduction

Purposes & Goals of the Study

Economic health is defined as the natural occurrence of a wide range of positive factors, such as diversity of businesses, resilience and ability to withstand crises, and self-sustainability of the target sector for which such health is measured. In a macroeconomic context – as this is the field in which the term ‘economic health’ originates – healthy sectors are protected from volatile economic cycles by exhibiting certain strengths. This term has been almost exclusively applied in a larger context, as economists have concentrated most of the research on economic health in the macroeconomic branch. However, as this thesis argues, the concept economic health could be incorporated in evaluation of long-term externalities of large-scale development projects.

Urban major league stadia in the United States carry a lot of determinants of economic health, or lack thereof, for various industries. Successful stadia are predictors of success of satellite development projects, but such direct causal relationships shift towards indirect correllational effects over time. Considerable research has occurred in the past to measure the significance of multimillion-dollar stadia around the globe. However, as argued in this study, there is still much to be researched, hence, a new indicator of economic health is one of the techniques that can be incorporated to advance research width. Particularly, long-term effects of sports stadia urban revitalization have not been measured in full yet, and there is still room for improvement in this particular sector of academic research. The particular indicator industry that this thesis focuses on is the food service and drinking establishment industry. Gathered under the
NAICS category 722, this sector of the economy features full-time and limited-time restaurants, cafes, and bars.

This study attempts to find a new way of measuring economic development impact of an anchor entertainment venue on a neighborhood scale. Though focused on the example of a baseball stadium, this study is not confined to the realm of sports exclusively, and the framework can be applied to large venues of similar entertainment focus, like casinos. In a certain way, the case study of San Diego’s East Village is a deep exploration of one particular neighborhood and its inimitable underlying conditions. Combining successful analytical methods from prior studies on the topic of urban revitalization, as well as adding less-orthodox techniques from other academic disciplines, this thesis strives to add to the field of knowledge about anchor facilities and economic health of modern downtowns. In particular, the focus of this work is on the long-term impacts of revitalization on small businesses. Such small entertainment, services, and accommodation businesses are the backbone of modern American cities. They are colorful indicators of community character and vibrancy and valued commodities for establishing jobs and attracting new residents. Small businesses also offer vivid representation of the overall state of the economy.

Thus, it is crucial to find new approaches to measure impacts of larger development on small businesses within a particular area. Such businesses can be considered satellites of greater urban revitalization anchors. Further described in the literature review section, satellite businesses are businesses that support the operation of urban anchors and are located at the heart of an urban fabric network around an anchor. Urban anchors, on the other hand, are best defined as large-scale infrastructure projects that serve the primary purpose of attracting
satellite development and reshape a neighborhood. There is a clear connection between the two forms of development in special districts, as evidenced by literature review on the topic. The goal of this thesis is to explore an alternative method of evaluating such a connection and its effectiveness based on a case study of San Diego, CA, and East Village in particular.

The goal of this thesis is to find new approaches to working in the niche of urban economics, urban planning, and sport stadia entertainment anchor value. As such, this research aims to provide planners and other local policy analysts with an alternative model for predicting and forecasting the success of anchor development projects. As a new and imperfect tool, the measure of economic health suggested in this research thesis will surely be reshaped and adapted to the realities of the time. It also may impact municipal decision-making strategies and add another tool to the pre-existing plethora of measures of success for large-scale investments and help with transition of planning offices to evaluate previous efforts.

**Research Questions**

This research draws from several major fields in academia – namely, economics, planning, and sport management. The attention of this research is focused on the restaurant sector as a bellwether of neighborhood economic transformation. As discussed further in the Literature Review chapter, the restaurant industry, among other sectors of the economy, is directly impacted by entertainment facilities in sports and entertainment districts (Chapin 2002). Restaurants and bars often times also serve as the foundation for placemaking strategies. Namely, restaurant districts exist in most American cities and towns,
as such a draw helps revitalize the area and serve the businesses well by placing them in particular neighborhoods. Stemming from the desire to explore non-traditional indicators of economic health, the following research questions have been developed:

- How successful was the initial municipal urban revitalization plan in creating an economically healthy neighborhood around Petco Park in San Diego, CA, based on the full-service and limited-service eating establishment sector of the small business industry?

- To what extent is the full-service and limited-service eating establishment sector of the small business industry in the immediate vicinity of Petco Park different from that in special districts of San Diego, CA, and the city as a whole?

A key assumption of this work is that successful urban revitalization can be identified and measured by the strength of the surrounding restaurant sector. There is also a methodological assumption that changes in the local restaurant sector are attributable to Petco Park, at least in its immediate vicinity and in the short term. It is possible, although highly improbable, that the changes in East Village would have occurred without the intervention of Petco Park. The scope of this research is not to establish and clearly define a causal relationship between the stadium and the success of local dining establishments, but rather to see whether a strong association between the two factors exists. Furthermore, the study seeks to look beyond the short term to explore whether food service and drinking establishments became more self-sufficient in attracting clientele and
maintaining a healthy operational model with the direct impact of revitalization anchor of Petco Park fading over time.

Moreover, the success of revitalization of urban fabric with entertainment and sports districts depends on the success of the larger venues themselves. In the realm of professional sports, teams do not always stay in one place, as demands for new facilities bring in the question of financing (Long, 2013). Sometimes, stadia lose tenants, and the urban fabric around an empty stadium tends to deteriorate quickly (Miller, 2002). And then, it can be argued, a district that has been revitalized may still turn into a successful redevelopment story, but without a centered anchor.

On a greater scale, hypothetically, Petco Park contributed greatly to the development of small businesses in the City of San Diego, CA, upon its opening in 2004. After the short-term positive impact on the creation of the dining establishment sub-sector, Petco Park ceased to be the preempting catalyst of development in the downtown. Economic activity and the increased demand for products and services offered by small businesses could be broken down into three phases: before the plan to build the stadium was established, during the construction of the stadium, and after the first pitch in 2004 (Rosentraub, 2014). During each of the years following 2004, the level of dependence of the dining establishments on the urban anchor of Petco Park is assumed to have become lower gradually. And all effects of Petco Park must have been experienced by such establishments – the good, the bad, the ugly.

Even though this hypothesis will not be tested for specifically in this research, it can be argued that spillover effects of Petco Park are expected to be both positive and negative. Revitalized neighborhood of East Village experienced
improvements in connectivity and public services, accompanied with a rise in property values and rental housing prices (US Census 2020). Ever since, it is expected that the dining establishment sub-sector of the small business industry in San Diego’s downtown has become self-sufficient to the extent that it can function successfully even without leaning on the externalities of Petco Park. The relationship between the anchor, Petco Park in this case study, and the satellites, represented by Downtown San Diego dining establishments, is projected to shift from symbiosis to commensalism.

**Chapter Outline**

This thesis is comprised of seven chapters; this one, Introduction, serves as the opening to the paper, introduces key concepts, outlines the terms to be used in the study, and proposes answers to research questions.

The second chapter, Literature Review, is comprised of six sections that best represent the fields of academic research necessary to gauge existing knowledge of the economic health of satellite development. First, the Literature Review chapter describes on how urban anchor infrastructure has been evolving in American downtowns. Next, various forms of satellite development characteristic of entertainment anchors and, what is of the greater essence for this thesis, of urban sports stadia are discussed. This is followed by a discussion of the history of the recent re-urbanization trends of professional sports stadia as well as the key characteristics that define a sports district. The Literature Review chapter concludes with the introduction of the key term of economic health and the overview of the particular type of satellite development – dining establishments – in the context of a major American city like San Diego.
Chapter 3 is dedicated to the case study of San Diego. Starting with the review of key dates and actions undertaken by the San Diego municipal administration to revitalize East Village, the chapter goes on to stress the importance of why the surroundings of Petco Park are shaped in a unique way. After concentrating on the downtown and East Village in particular, Chapter 3 shifts its focus towards a thorough examination of the surroundings of Petco Park and the state in which they are found in based on 2019 data.

The Methodology chapter (Chapter 4) introduces the methods of analysis and research, discusses underlying assumptions, and states potential research limitations. Chapter 4 also conceptualizes key variables prior to conducting exploratory analysis, which begins in Chapter 5. The Exploratory Analysis chapter is broken down into three sections: descriptive spatial analysis – providing map and geospatial insight into the economic health of the dining establishments, industrial and sectoral analysis – based on the analysis and statistical pattern identification in the small business industry and the restaurant sector, and sub-categorical analysis – exploration of intra-level diversity and resulting factors within the dining establishment sub-sector of the small business industry. Also, Chapter 5 sets control metrics and stresses the importance of contributing factors.

Results and synthesis of information analyzed are presented in Chapter 6. This chapter is divided into four sections: observations and elaborations, testing against hypothesized relationships, role of Petco Park, and the perceived magnitude of contributing factors. Finally, Chapter 7 formally concludes the paper through an array of policy recommendations, identification of further
research opportunities, outlining implications of research for the field of urban planning, and the concluding remarks.

Altogether the paper produces a mid-level exploration into the fields of urban planning, urban economics, and sport management from a perspective of examining economic health of a particular category of businesses. It claims that there is a gap in urban planning research and attempts to cover it by adapting terms and methods from other fields in the academia.

**Glossary of Terms**

The following terms, as further evidenced by the literature review, are widely used across various fields in the academia. Most of these terms are explained earlier in the narrative of Chapter 1, although it is useful to have a glossary for later reference.

*Table 1.1. Glossary of Terms (as Applied in the Thesis)*

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
<th>Source of Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Health</td>
<td>Level to which an entire economy (in a macroeconomic context) or a sector of the economy is self-sufficient, diverse, and resilient to volatile economic cycles</td>
<td>(Picard, 2011)</td>
</tr>
<tr>
<td>Satellite Development</td>
<td>Development that supports the operation of urban anchors and is at the heart of a network around an anchor</td>
<td>(Birch, 2014)</td>
</tr>
<tr>
<td>Term</td>
<td>Description</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Urban Anchors</td>
<td>Large-scale infrastructure projects, mainly municipally initiated, that serve the primary purpose of attracting satellite development and reshape a neighborhood</td>
<td></td>
</tr>
<tr>
<td>Inter-Categorical Diversity</td>
<td>As related to the small businesses sector, diversity of establishments across various areas of services provided</td>
<td></td>
</tr>
<tr>
<td>Intra-Categorical Diversity</td>
<td>As related to the small businesses sector, diversity of establishments within a single area of services provided</td>
<td></td>
</tr>
<tr>
<td>Honeymoon’ Phase [of Stadium Development]</td>
<td>The initial timeframe after the construction of a professional sports stadium, usually lasting between two and five years, that leads to an increase in attendance and overall excitement about the new venue</td>
<td></td>
</tr>
<tr>
<td>Economic Dependency</td>
<td>Dependency of satellite development on the surrounding anchors, based on the transfer of spillover positive effects such as a customer base</td>
<td></td>
</tr>
<tr>
<td>Mutualism</td>
<td>The type of symbiotic relationship involving two entities, where there is a clear mutual benefit for both parties involved</td>
<td></td>
</tr>
<tr>
<td>Commensalism</td>
<td>The type of a symbiotic relationship when one entity neither suffers nor benefits, while all benefits are observed by the other entity</td>
<td></td>
</tr>
</tbody>
</table>
Chapter 2. Literature Review

Branches of Research within Professional Sports Stadia Impacts

The first branch in research of professional sports stadia impacts is the debate between pre-intervention and post-intervention studies. Acceleration of urban development and urban revitalization, first and foremost, are not polar processes, and it has to be stated even though there is no observable misconstrue of it in academia. By design, these are different stages of the same process of the transition towards mixed-use prioritization, abundance of green space, transportation modes, and entertainment types (Rosentraub, 2014). The underlying motivations for urban revitalization seem to be obvious at the surface level of analysis. However, in a closer research, there are arguments that rapid improvement of urban revitalization via sport stadia construction can reinforce urban power structures (Beaver, 2001). By accelerating urban development, powerful decisionmakers contribute to the culture of mutual cause-and-effect relationship between stadia and revitalization (Delaney & Eckstein, 2007). Here, municipalities are more likely to finance stadia due to the cultural norms and the line of continued support for publicly financed facilities. Nevertheless, no matter how sports stadia can be justified from the perspectives of decision-making and policy implementation, stadia are analyzed as levers of interventions. The presence of major league sports stadia, obviously, has certain levels of impact on the surrounding environment. To the public, such impact is typically portrayed as positive: this is why stadium projects get approved almost every single time (Swindell & Rosentraub, 1998). There is a deep presupposition that a sports arena brings character to the neighborhood, thus completing the downtown or the
vicinity it is situated in (Rosentraub, 2014). However, researchers have not
gathered overwhelming evidence of a broader cross-sectional impact on cities as
unified entities. The evidence that urban revitalization with the help of urban
stadia as anchors of development is not conclusive (Rosentraub, 2009; Coates,
2007; Huang & Humphreys, 2014; van Holm, 2019). It is the civic pride, perhaps,
that matters most, or the idea of an inimitable unique place for social gatherings
that attracts people.

The next branch of research in the realm of impact of sports stadia on
urban environments is residential housing markets. The less tangible economic
impact on housing can be seen as a more modernistic view on assessing
externalities produced by an urban sports arena. High levels of suburbanization
still occur in some communities, yet the juxtaposition of entertainment venues
like sports stadia and the surrounding amenities like restaurants and shops can
only be provided in urban environments. Such a combination of factors can
become a deal-breaker or a deal-maker for many city dwellers when deciding
where to settle (Rosentraub, 2009). With young people looking for a place to
settle after college, marketability of ‘Big-League Cities’ depends on their status.
The most absurd thing is that fandom does not even play a role in the hedonic
approach to housing selection (Feng & Humphreys, 2018). Young people enjoy
having a place to go, they naturally become observers of professional sports, not
die-hard fans that they once could have been growing up. Housing markets
follow the trends and leave old patterns in the dust. Demand for urban housing
increases with the creation of sports arenas (Huang & Humphreys, 2014), and
with the constraint of limited space availability, prices jump during the
‘honeymoon’ phase that follows the phase of stadium construction.
Further tangential research comes from the exploration of impacts on land values. Specifically, it is hypothesized that the land around stadia becomes more desirable since investors understand that other forms of development in the area are soon to follow (Ahlfeldt & Maennig, 2010). If that does not happen, and the ‘honeymoon’ effect phases out quicker than expected, the situation changes, but not drastically. Now, landowners are trying to get their ‘piece of the pie’ by developing the land around the stadia into supplemental facilities like parking lots or thematic entertainment venues (Rosentraub, 2009; Rosentraub, 2014). What is more likely to happen, however, is that land gets purchased by bigger players, like the franchise owners (Rosentraub, 2009), for further construction of shopping malls, plazas, or extension of the stadium facilities (Ahlfeldt & Maennig, 2010). Land becomes more expensive not only to own, but also to maintain, if a stadium under analysis is located in the urban core. There is too much friction between the underlying economic forces and the mutual understanding of how land may be impactful or useful in the long run.

Finally, there is a great deal of impact on civic pride, which has been studied in great detail. There has to be a space for sports fans to celebrate their affiliation with the team, and there is no doubt about that. Modern urban stadia are not being constructed with that idea in mind (Madgin et. al., 2016). More sports arenas are just spaces that provide opportunities to hang out with friends and family; hence, the expression of baseball being the great American pastime is especially pertinent to this research thesis. Overall, sports economists and urban planners agree that the impact of sports facilities cannot be felt immediately or even in the short term, while the ‘honeymoon’ effect is lasting (Rosentraub, 2014; Coates & Humphreys, 2008; Coates, 2007). Sometimes, sports stadia become so
deeply interwoven into the economies that their impacts can be taken for granted. There is also an argument that sports facilities are interchangeable for other forms of entertainment, and that other forms of entertainment can generate similar numbers of return on investment. These are just cities making the conscious choice to have a sports arena for a certain sport as opposed to a horseracing track or a casino (Miller, 2002). Stadia in urban markets are complicated, since there are so many substitute goods in a well-developed city. People have numerous activities to choose from, but cities do insist on the necessity of sports stadia to be built (Groothius & Rotthoff, 2016). As previously mentioned, the most powerful driving force behind such a strong desire is the concept of the ‘Big-League’ city (Siegfried & Zimbalist, 2006). For the most part, economic impact analysis and forecasting pre-intervention tend to be usually positive and optimistic, whereas long-term impact studies concentrate on the negative externalities of urban interventions. For this reason, the field of urban development around anchor projects, sports arenas specifically, has one overarching dominant debate in both theory and practice.

The Evolution of Urban Anchors

The topic of urban economic development through sports facilities as the so-called ‘anchors’ has been extensively explored by planners and urban economists over the past 25 years. Primarily, this is due to a wave of urban stadium development in major American cities in the late 1980’s and early 1990’s (Rosentraub, 2009). The culture of revitalization had conquered planning in the United States (Platt, 2014), and there was a widespread belief that flourishing satellite development could be achieved through anchor projects. An anchor
project could be defined as something of high importance to early ballpark districts, and these are not often financed through a public-private partnership, as San Diego is one of the few cases of steadfast commitment of professional franchise owners to help the municipality build a new home field (Rosentraub, 2014). More specifically, anchor development of the modern urban environment are large-scale investments in an urban core facility, often occupied by a monopoly franchise, that would later contribute to the overall economic health of the area. Before the culture of urban revitalization, or new urbanism, was introduced to the US metropolises, most of the development had been occurring through partnerships emphasizing various sectors of the economy (Rast, 2009). Such projects seldomly brought in other economic development as an indirect impact (Dever et. al., 2014), therefore, the industrial investment has been ceded in favor of the entertainment-centered urban cores, as those were believed to be more lucrative for downtown development.

For one thing, passive recreation facilities were believed to instill something between a place attachment or multi-level association patterns (Madgin et. al., 2016) to civic pride and fandom (Groothius & Rotthoff, 2016) in the local communities. People enjoy going to games and passing the time in downtown areas, where everything is interconnected and accessible, and watching a sports competition can be combined with a stroll down the main street. More specifically, baseball stadia in the 1990’s have become an inseparable part of the main street of US cities; they have been absorbed into urban environments and their economies (Rosentraub, 2014; Mehta, 2011). Resurrecting the once lost relationship between a stadium and the urban core environment has resulted in full integration of sports back into the urban culture. People seemed
to enjoy new trends of mixed-use downtowns. The expansion of housing opportunities, increased number of office spaces, revitalization of the restaurant and other associated businesses in American downtowns had already been happening when cookie-cutter stadia in the suburbia started to be replaced by urban core arenas (Rosentraub, 2009).

The late 1990’s is also when numerous approaches to measuring the impact of sports stadia and arenas were born. Economic impact studies of large venues had been done before the wave of urban stadium construction in the 1990’s (Rast, 2009), yet they were not largely concerned with urban anchors of economic development. With the shift that occurred in municipal planning in the 1990’s, the methodology, however, has not changed much.

**Professional Sports Franchises and Professional Sports Stadia**

Economic development in its purest essence has become increasingly contextual in the 1990’s (Granato et. al., 1996), as there are various forms of placemaking mechanisms that not only dictate how the downtown shall look (Madgin et. al., 2016), but also establish patterns in funding similar anchor development projects (Crompton, 2004). Theorists have established four main branches of impact analysis of stadium development on matters concerned with planning specifically. These four branches are the acceleration of existing development or revitalization by reducing blight, impact on residential housing markets, impact on land values for non-residential development, and civic pride component that relates to the greater theme of unity on one hand and gentrification on the other hand.
The vitality of sports stadia and their perceived economic impact is questioned by economists and urban planners alike. On the one hand, economic development could have existed without a sports stadium in the first place through the redistribution of public money on other forms of development (Siegfried & Zimbalist, 2006; Coates, 2007). On the other hand, people become very used to their traditions and customs, which encompasses the realm of sports and spectatorship (Madgin et al., 2016; Groothius & Rotthoff, 2016). What is even more important, some researchers propose that sports entertainment is really sending millions of public dollars down the drain. When the arena gets outdated, community trust can be broken by news that the team could migrate to a more profitable market where a new arena is proposed. Numerous American sports franchises have been guilty of blackmailing municipal decisionmakers into constructing new stadia or updating the old ones (Rosentraub, 2014). If they do not get what they want, they pack up and leave for more prosperous pastures. Thus, money spent on the attempts of retaining professional sports franchises can be labeled as ‘fool’s money’ (Rosentraub, 2009). Larger geographies usually experience less impact from the development of a similar magnitude, but for smaller cities with strong historic connection to a sports franchise, officials are just delaying the inevitable by pouring more money in public-private “fully loaded” deals (Crompton, 2004). And even though such deals are much better than the ones that used to exist before the 1990’s, municipalities can be left at a disadvantage when grappling with the decision of retaining a close-to-heart franchise (Coates & Humphreys, 2008). These debates contribute to the general notion that it is truly up to the cities where to spend their money. It depends on the context whether factors like size, geography, and tradition play equal roles in
decision-making processes around investing in a certain type of anchor development, if they do at all. One thing remains certain: for whatever reason, decisions that favor partially publicly funded stadia are being made in cities across the United States on a yearly basis. The concept of public-private partnerships is not novel, only in the 21st century, municipalities are willing to provide much more tax incentives and over-the-top benefits to franchises than in the early days of public-private deals (Long, 2013).

Speaking of the size of proposed development, a lot of ground has been covered in terms of studying the impacts of minor league stadia on economic development. Prevalently, this is due to minor league facilities being located in smaller towns on the periphery, and the impact of such development can be traced without weighing in other expensive monumental projects (van Holm, 2019). Whereas in bigger cities – the metropolises – major league stadia are tied to other revitalization projects or are in competition with other anchor-type entertainment facilities. Thus, minor league stadia, often coming as revitalization projects on their own, leave a more measurable trace on communities (van Holm, 2019). Mark Rosentraub and David Swindell, two leading urban economists concerned with externalities of sports stadia development, traced this back to the implications around funding of the arenas. If a community pays to be a ‘Big-League City’ or chooses to have a dedicated sports district in its downtown, it has to be able to assess the investment in monetary amounts (Swindell & Rosentraub, 1998). Thus, it can be concluded that there is a gap in understanding of how a Major League Baseball facility impacts a downtown and its numerous small businesses. Clearly, there is a gap in research from this perspective. Monetary infusions, as indicated earlier, are not the only or the most telling
indicator of success for an urban stadium development, although they are undoubtedly the most studied ones.

Economic impact studies are often conducted with the idea of having some financial effect by an independent variable. The state and economic health of other businesses that can be considered to be complementary to the main development have not been studied from the angle of alternative indicators. Generation of a more economically resilient downtown, for instance, through diversity of establishments within the small business sector, is also desirable, arguably (Picard, 2011). Since most research is driven by the greater purpose for finding an answer to whether the investment pays off, issues like where public subsidies would have been spent otherwise tend to be ignored (Miller, 2002). Economic health based on municipal decisions to proceed with stadium construction as opposed to some other type of development can be measured on a comparative basis, however, there is more benefit to conducting a case study. Such a form of research can open contextual issues around one dependent factor based on the creation of levers such as stadium-oriented development (Chapin, 2007). In the case of small business industry, as it was stated earlier in the review, not much has been explored at the intersection of sports arenas, economic health and vitality of surrounding small businesses, and the possible causal relationship between the two.

**Sports Districts Overview**

In the last quarter of the 20th century, the web of interaction between major league sports facilities and urban businesses started to spread. In some cities like Baltimore and Cleveland, the economic impact produced by large-scale
development of Major League Baseball ballparks resulted in the emergence of new entertainment or sports districts (Chapin, 2004). In such districts, positive externalities of development multiplied: all parties involved were contributing greatly to local economies, and stadia acted as anchors for satellite businesses. Cities, on their end, started creating incentives inviting major sports franchises to come to a certain neighborhood and revitalize it (Propheter, 2019). Municipalities with more land resources and greater ambitions became more interested in attracting as many professional sports franchises as possible to resonate with local spectators, which resulted in emergence of not just sports districts, but ‘Big-League Cities’ (Siegfried & Zimbalist, 2006). Together with the state of local economy, planning around economic impact of sports stadia was changing people’s preferences and increasing choices for entertainment. Both architecturally and logically, arenas in downtowns made sense (Rosentraub, 2014), and entertainment budgets of the residents of major American cities were now spent more on sports spectating and associated activities (Coates & Humphreys, 2008). The shift towards sports-oriented downtowns rapidly transformed the scene for satellite businesses as well. For instance, the well-known Bilbao effect is the notion that one cultural district project has started the chain of redevelopment efforts.

For the most part, sports and entertainment districts are characterized as positive influencers on the neighborhood businesses in short-to-medium term, and districts specifically constructed to host sports facilities tend to have a varying degree of success integrating into larger surroundings (Rosentraub 2014). On a relative scale, sports districts are rather sustainable when using the framework set up by Hammer & Pivo in 2017: they promote and encourage
commercial activity, diversify the entertainment sector (Coates, 2007), and, when put near or in the downtown, act as catalysts for lowering carbon emissions. The typology of entertainment districts includes ranges in size and number of stadia, and in almost all cases a dweller and a visitor to the area alike would be able to spot some of the key elements of sports districts. The entertainment scene in such districts is rather monotone, despite some previous efforts to add the surprise factor in cities like Cleveland and Baltimore (Chapin, 2004; Rosentraub, 2009). Residential housing in sports districts has a pent-up supply, but often, it is not met by demand due to increased average price compared to the rest of the downtown (Huang & Humphreys, 2014). Sports districts are one of the supplementary reasons there is a sense of attachment to professional franchises: they entertain sports fans, and they later associate the experience of going to a sports game with the satellite businesses (Madgin et. al., 2016). These satellite businesses, for the most part, are all geared towards providing over-the-top entertainment.

The tendency in the past decade has been for the owner or the ownership group behind a sports franchise to populate the surrounding area with chain businesses they have stakes in (Long, 2013), or to purchase pre-existing small businesses directly from local owners (Rosentraub, 2009). Sports districts, in this sense, do not really affect people’s perception negatively: novel experience is part of the ‘honeymoon’ phase of a sports district installment. Across the board, spectators enjoy participating in all the complementary activities, and franchises themselves instill a sense of pride and attachment not just to the team, but to the area (Groothius & Rotthoff, 2016). A major example of such attachment would be Fenway Park and the surrounding neighborhood of Boston, MA.
For stadia constructed over the past century, after several years of their existence, the effect of newness vanishes, and satellite businesses gradually separate from the anchors. According to the perception that economy is a set of various substructures, and the more resilient and independent they are, the better the economy as a whole is prepared (Murphy, 2017), dissolution of a sports district and further integration of satellite businesses into the downtown core is economically healthy. Such a process seems to be the inevitable sequence that has been following reintroduction of stadia to the urban core for the past twenty years (Rosentraub, 2014). It is only due to the recency in observation that terms longer than twenty years of tenure have not been studied yet. After all, it is only the past twenty years that professional sports stadia have had the chance to spark economic resiliency in American downtowns after a long-lasting hegemony of suburban entertainment anchors. Therefore, a judgement of how sports districts compare to other forms of entertainment districts cannot be made accurately. At the very least, sports districts provide cities with a ‘Big-League’ title (Siegfried & Zimbalist, 2006). Perhaps, the love for sports and the community perception of professional franchises is the key driver here, although financially there is not much of a difference between a sports stadium as an anchor or some other major entertainment amenity (Birch, 2014; Dever et al., 2014). Satellite establishments in sports districts take their chances on the long-term retention of the franchise, or, at the very least, on a positive symbiotic relationship during franchise’s tenure. ‘Big-League’ cities are captivating, as their urban environment has more to offer, and such offerings may not be linked to sports stadia as directly as it seems at the first glance.
Dining Establishments in the Urban Setting

Relating the status of a ‘Big-League City’ and the close ties between sports spectatorship and eating or drinking in full-service and limited-service dining establishments, a much better perspective is looking at the whole picture of an urban environment. With entertainment anchors, such as Petco Park in San Diego, CA, it is arguably easy to predict that satellite dining establishments would fare well and experience influxes of customers on game nights (Siegfried & Zimbalist, 2000). More importantly, without constant or seasonal demand (depending on the sport), area of restaurants would not exist. Yet, entertainment districts have a higher concentration of both food service and drinking establishments than suburban or business districts (Neal, 2006), which is not unreasonable and highly predictable based on the nature of such districts and their intricate and deliberate design. People, as described earlier, associate going to a professional sports game as a full ‘night-out’ adventure. For most city dwellers, the elements of sports and getting something to eat or drink are inseparable and part of the same combination.

It is crucial to look at the health of the pent-up supply of both full-service and limited-service dining establishments. Previous research indicates that by investing enormous amounts into anchors, municipalities tend to expect better outcomes for everyone in return. City dwellers and visitors get their variety of satellite establishments to choose from, local entrepreneurs are able to access the market to help meet overall demand, and professional sports franchises get to become deeply embedded into the surrounding area (Altschuler & Luberoff, 2003). Gradually, municipalities executing revitalization projects with the help of
entertainment anchors inevitably experience varying levels of success of monetary infusion and investment, as not every project yields the success it was designed to provide. To better phrase it, very few anchor facilities in the sports industry yield suggested return in the long run. However, such returns are differentiated and can be measured and compared across different urban environments. And while the idea that municipal investment is designed to revitalize local economy is widespread and popular (Baade, 2010), it does not usually translate to a viable predictor of the long-term health of the entire industry, sector, or sub-sector (Rosentraub, 2009). Across all categories, businesses often still serve as satellites to the anchors but become more independent of them with time.

Economic impact studies are often conducted with the idea of having some financial effect by an independent variable. The state and economic health of other businesses that can be considered to be complementary to the main development have not been studied from the angle of alternative indicators. Generation of more economically resilient downtown, for instance, through diversity of establishments within the small business sector, is also desirable. Since most research is driven by the greater purpose for finding an answer to whether the investment pays off, issues like where public subsidies would have been spent otherwise tend to be ignored (Miller, 2002). Economic health based on municipal decisions to proceed with stadium construction as opposed to some other type of development can be measured on a comparative basis, however, there is more benefit to conducting a case study. Such a form of research can open contextual issues around one dependent factor based on the creation of levers such as stadium-oriented development (Chapin, 2002). Not much content
has been explored at the intersection of sports arenas, economic health and vitality of surrounding small businesses, and the possible causal relationship between the two. Hypothesized earlier in the research Chapter 2, such a relationship can exist not only across time, but across various small business types and subsectors.

**Economic Health: Definition & Adaptation**

The impact of the shift towards urban stadia had to be measured somehow. This was partially motivated by the desire of city officials to figure out how the investment was paying off in both short and long terms (Dever et. al., 2014). Moreover, many economists pioneering this field of study recognized the shift and started to grapple with the effects of the return of professional sports stadia and multi-purpose venues back to the American downtown (Harger et. al., 2016). Since the purpose of this thesis is to introduce a new technique in measuring long-term impact of an urban major league stadium, a new term from the field of macroeconomics has been adapted to better fit the scale of San Diego.

This term is economic health, and it is the centripetal force in the whole research. It is the key parameter in estimating the current state (or, should it be said, the state as of 2019 – before the COVID-19 pandemic) of the dining establishment sector. Economic health, primarily, is hypothesized to be based on diversity. In other words, the wider the array of choices for restaurant types, cuisines, and locations, the more vibrant a community would be (Neal, 2006). A sector within a larger economy cannot be healthy if it is not also self-sufficient. This is well-explained by a hypothetical example of a downtown with a generous array of types of small entertainment facilities versus a monotone downtown.
where the entire small business sector is comprised of an abundance of lookalike businesses. And even though there are claims by researchers like Dennis Coates (2007) that there is no evidence that investment in sports anchors is healthy, as it may only redistribute the money, induced impacts also have to be accounted for. Still, areas with sports stadia, especially if supported by strong public-private partnerships that ground a certain franchise in town, foster accelerated growth of satellite industries in the short-to-medium term (Long, 2013; Erie et al., 2008).

Volatility of economic cycles comes and goes, and healthy sectors of the economy provide a high number and a wide array of services (Picard, 2011), which links back to the idea of diversity. Summarized later in Chapter 4, one of the major conjectures of this research is that diversity is positive not only for the industry of sector of the industry, but for the geographical locus as a whole. Literature on economic relationships between urban anchors suggests that there are no direct negative nor positive impacts on the anchors of development from the satellite businesses (Delacroix & Ragin, 1981; Murphy, 2017). Satellite enterprises, on the other hand, as discussed earlier, act as receptors of prodigious benefits for the duration of the ‘honeymoon’ phase, and then break out of a commensal pattern of cross-business bonds.

Economic health can also be regarded to as a commensalism that does not harm one party and benefits the other in a long term. Commensalism in general is a biological term (Beckrich, 2015), and it is highly applicable to the economics field. Specific literature sources on types of relationships among anchors and satellite businesses were not discovered. In the sphere of professional sports stadia, among other spheres, satellite businesses soon become too independent over time (Rast, 2009), and this is one of the primary reasons that sports facilities
have been brought back into the urban core over the past several decades (Rosentraub, 2014). When time comes, satellite businesses rapidly mature and carry the economic health with them, along with other beneficiary factors like diversity, both inter-sectional and intra-sectional.
Chapter 3. San Diego: Case Study & Context

**East Village Revitalization Project**

Constructed in 2004 in the East Village neighborhood in the City of San Diego, CA, Petco Park is part of the larger complex of entertainment and community-oriented facilities. Along with the San Diego Convention Center and the San Diego Central Library, Petco Park is a direct result of the urban revitalization project that occurred in San Diego in the late 1990’s and early 2000’s (Cantor & Rosentraub, 2012). It is truly a representation of an anchor development in an effort to redevelop the downtown and change the trajectory for satellite projects and businesses. The primary goal of the City of San Diego was to give East Village a push towards transformation of its amenities (Davila et. al., 2008). In the 1990’s, before the plan was adapted, the neighborhood was mostly peaceful and did not have an elevated crime rate compared to the rest of the downtown (US Census, 2020). Yet, the number of small businesses, as indicated by the Small Business Administration, was roughly 65% of what the 2019 rate is. So, on a surface level of analysis, the East Village Revitalization Project achieved its goals and introduced new businesses to the area. It can be claimed that the neighborhood change that occurred was miraculous, but this research is aimed at discussing the economic change that has already happened. There was the pre-stadium condition that was altered, and this thesis is less concerned with time-lapse shots or dynamic changes in the area, primarily because they are harder to measure without very specific information. Still, the role of both the San Diego Padres and the municipality cannot be ignored, as the
conditional support to the small businesses, including the restaurant industry, was ignited in Downtown San Diego with the construction of the ballpark.

Such roles that the City of San Diego and the San Diego Padres franchise played in the late stages of the process are especially remarkable when it comes to Petco Park redefinition of the surrounding environment. As previously mentioned, the collaboration between these two parties turned out to be extremely productive. The public-private partnership exhibited did have some rough edges at its beginning stages, and those will be discussed later in the paper. The Major League Baseball franchise covered over one-third of the full cost of Petco Park (Davila et. al., 2008), with the overall cost of the stadium estimated to be $450 million in 2004 US dollars (Rosentraub, 2009; Rosentraub, 2014). However, it was not only Petco Park that was developed in San Diego’s downtown at the time. The comprehensive plan put together by the San Diego Redevelopment Agency also included the San Diego Convention Center and the San Diego Central Library, which were introduced as part of the bigger revitalization project.

As for the project itself, the concept of revitalization of East Village started to be deliberated upon in the early 1990’s (Cantor & Rosentraub, 2012). The City of San Diego formally proposed a plan that would include building a library, a convention center, and a new home for the San Diego Padres franchise close to the heart of the downtown – the Gaslamp Quarter – by 1998. There is a supposition that the projects for the San Diego Central Library and the San Diego Convention Center were executed smoothly, however, Petco Park was not meet the initial deadline of exploitation start by 2002 (Davila et. al., 2008). The San
Diego Convention Center and the Central Library were constructed prior to Petco Park, and in that order.

The project was able to address some of the concerns of the public and the greater community, although not all of them. As a beautiful gesture, the historic Western Metal Supply Company building has been readapted and turned into luxury boxes with a restaurant on the open roof (Cantor & Rosentraub, 2012). The pre-Petco Park image of Western Metal Supply Company building is included below for reference. While preserving the community’s history, key stakeholders in the public-private agreement were attempting to mask other issues that could not be resolved, like gentrification.

*Figure 3.1. Western Metal Supply Co. Building as an Example of Historic Preservation*

*Source: The City of San Diego*
The aforementioned concerns of the greater community, as it can be seen from the work of Castañeda et. al., Kayzar, and Erie et. al., were plentiful. They were the primary reason why the stadium did not commence its operations in time. In 2002, when the relocation of San Diego Padres from the San Diego State University park was scheduled, the municipal budget was not approved and taken to court (Kayzar, 2008). A decision to ratify the use of roughly $340 million of municipal funds had to be taken through a second public vote, where it passed with a narrow margin. The stadium was completed just in time for the 2004 Major League Baseball season.

The City of San Diego aimed to achieve a trifecta of economic influx by revitalizing the area with three major anchors. Two other anchors were the San Diego Convention Center and the San Diego Central Library, which can be viewed in pictures below.

*Figure 3.2. San Diego Convention Center*

*Source: The City of San Diego*
Figure 3.3. San Diego Central Library

Source: The City of San Diego

**Downtown San Diego Overview**

The case of San Diego, CA, and its ballpark, Petco Park, is especially intriguing from the urban revitalization perspective. The idea of creating a well-developed prospering downtown has been the topic of San Diego, CA, planners since the 1970’s (Kayzar, 2008; Davila et. al., 2008). Overall, there were three main motivations behind the creation of a stadium. First, it would have contributed to the overall downtown revitalization project along with the Convention Center and the San Diego Library. Second, the San Diego Padres, then playing at the San Diego State University ballpark, have been asking the city for a new field constantly (Chapin, 2002). The idea of a public-private partnership was born then and there, and the masterplan for urban revitalization was established. Finally, the attraction of more talented and dynamic workforce was to be promoted by a new downtown ballpark and satellite forms of ‘hip’ infrastructure it was going to
inevitably bring to its outright vicinity. In a way, it could have produced gentrification (Kayzar, 2008; Castañeda et. al., 2016), and this point is acknowledged as a potential threat to Petco Park’s integrity. For the purpose of this thesis, these research findings will be considered secondary to other externalities of economic development around stadia. It is not that these are unimportant or invalid; more so that the past state of San Diego’s small businesses has not been studied in much detail. Gentrification does have some level of correlation with the erection of Petco Park, but there are also positive impacts like the retrofitting of the old Western Metal Supply Co. building into the ballpark (Jost, 2011) and increase in total share of employment attributed to downtown small businesses (Reuter, 2017). These two examples can be viewed as offsetting benefits of the development in the first place, and not justifications for negative externalities.

Some questions remain unanswered about whether Petco Park is indeed a good example of a 21st century urban ballpark. Most importantly, it is clear that new experimental ways of modeling economic impact assessment through various indicators of economic health – in particular, of small businesses – can tell a different story from the accepted principles. It is fascinating to realize that the common belief in the field of urban planning is that sports stadia are not substantially better or substantially worse than other forms of anchor development. Cities simply choose to invest their funds into new facilities only to wait for them to become outdated and then construct new stadia in an effort to retain previous expansion franchises. There is no denying that every bit of research around the intersection of professional sports and urban economics reflects parts of the universal truth: positive impact of sports stadia on the
economic development of urban environments is very low. The ‘small stuff’ that happens in between the cycles of transition to a new stadium, like the openings and closures of small businesses and related implications, needs to be further studied to paint a full picture of impacts. Perhaps, it is contradictory to the established theory, but there just might be something new that will come up during the process of unpacking the term ‘economic health’ as it relates to the small business industry impacted by the development of a large baseball stadium like Petco Park in San Diego, CA.

Detailing the conditions of influence of Petco Park, this study focuses on the City of San Diego as a unit of analysis. In particular, economic impact will be measured by small business data gathered through research and calculation. San Diego, CA, is widely considered to be one of the most successful public-private partnerships between a US municipality and a Major League Baseball franchise (Rosentraub, 2014; Cantor & Rosentraub, 2012). This paper will provide a different angle of analysis of the success of Petco Park for the public interest, specifically of the success of the small business industry in San Diego. The state of the industry further validates the selection of the site due to San Diego’s small businesses comprising 98% of the total number of businesses registered (San Diego Regional EDC, 2017). And while definitions of a ‘small business’ vary across different organizations, for the purpose of this study, the San Diego Regional EDC’s definition will be used, which is “enterprises employing 100 or less people.” It is evident that the small business industry had to have experienced indirect and induced impact from a fully integrated downtown baseball stadium being constructed in San Diego.
The downtown districts in San Diego are full of vibrant businesses, as the Gaslamp Quarter is regarded as the center of commerce and the restaurant scene. The Downtown boasts two Business Improvement Districts (BID’s) that are directly responsible for financing municipal infrastructure in the urban environment. Since Petco Park is on the edge of the East Village Business Improvement District, it was the primary source of tax funding for improvement of the overall condition of East Village (Erie et. al., 2008). The East Village BID is available for review in Figure 3.4 below.

*Figure 3.4. East Village Business Improvement District (BID)*

The second business improvement district, which lies just next to the East Village BID, is the Gaslamp Quarter BID. Named after the most vibrant set of blocks in the Downtown, it provides funding for street parades and other forms of entertainment by levy from lucrative service businesses located there. For the reference, it is the area with some of the most expensive and exclusive San Diego
restaurants. Figure 3.5 represents the relative position of Gaslamp Quarter BID to Petco Park and the rest of the south end of Downtown.

Figure 3.5. Gaslamp Quarter Business Improvement District (BID)

The next overlay zone in San Diego’s Downtown is the Revolving Loan Zone (RZL). This zone is a blanket-type zone, providing continuous support for businesses by allowing them to take out loans from federally approved creditors without having to fully repay their preceding loan. The program of Revolving Loan Zones is operated by the Economic Development Administration of the United States, which is a federal agency. The primary goal of the administration is to assist new businesses with short-term finances so that those can hire employees, expand services, and progress towards healthier operations. Simultaneously, this program cannot be regarded as a business incubator, as businesses are still responsible for repaying the entirety of their loans. The tool of establishing a Revolving Loan Zone in the downtown is considered rather
unorthodox, as this may create some complications with businesses going bankrupt when exhausting financial measures and never refinancing the loans.

In San Diego, such a zone is located in the less wealthy blocks in the downtown. The full extent of San Diego’s RLZ is illustrated in Figure 3.6.

*Figure 3.6. San Diego Revolving Loan Zone (RLZ)*

Finally, San Diego also boasts a federally mandated overlay of Promise Zone, which largely covers the East Village vicinity. With poverty rates higher in the East Village Promise Zone, the overlay makes it eligible for federal grants for education and economic improvement. Some other characteristics of such communities that differentiate promise zones from the rest of the urban sphere are higher crime rates, lower high school graduation rates, and increasing business abandonment. As it can be seen from Figure 3.7, the East Village Promise Zone extends largely to the south-east from Petco Park, and its spread is in a pattern away from the Downtown. For the most part, this area has single and
multi-family housing with cluster businesses at busier route intersections. Judging by the neighborhood unitary analysis, there is some significant discrepancy in median household incomes (US Census). For the purpose of exploratory analysis, this overlay zone will not be closely considered, as it only scrapes the lower south-east corner of the Downtown.

*Figure 3.7. East Village Promise Zone*

As it can be incurred from the maps above, Petco Park lies at the crossroads of San Diego’s downtown districts, and its location could not be more perfect for commuters from within the city and from the greater region. In essence, the business environment offered in the Downtown is relished within the community, as new businesses are being created on the constant (San Diego Regional EDC, 2017). While having Business Improvement Districts (BID’s) set in stone for the foreseeable future, San Diego does not yet plan to readjust its Revolving Loan Zone (RLZ) to better reflect the current needs of business. With
that in mind, it has to be mentioned that there is also a fair bit of detail and specifications on the ballpark’s surroundings.

**Petco Park & Its Surroundings**

The immediate surroundings of Petco Park include several objects of municipal infrastructure, as well as some signature businesses that shape the sports district in the southern part of Downtown San Diego. Framed by the fully pedestrian K Street to the north, Tenth Avenue to the east, Park Boulevard to the south-east, and Tony Gwynn Drive to the south-west and west, Petco Park is the perfect pointer of the downwards-pointing triangle of San Diego’s downtown. Being the southernmost apex of this triangle of development, Petco Park forms a complex with the Convention Center and the Central Library. In the realm of real estate, this general vicinity is called Metropolitan Project; it is reflected below.

*Figure 3.8. Downtown San Diego Anchors of Development & Their Immediate Vicinity*
The pedestrian K Street separates home of the San Diego Padres from the ‘park in the park’ – a fully operational urban oasis that is indeed the outstretched outfield. On gamedays and days of events, it transforms to the extension of the seating area. The policy on purchasing a ticket in the park in the park consists of: a) the opportunity to leave before the end of the event and freely walk in the perimeter of the park; b) access to the stadium’s concessions; c) deeply discounted pricing. The park is an urban transformer, it is very appealing as an element of the urban core.

As Figure 3.9 illustrates, Petco Park is well connected by both bus routes and trolley routes to the rest of the downtown, specifically the Gaslamp Quarter.

Figure 3.9. Downtown San Diego Public Transit Routes
San Diego Trolley Terminal is located only a few blocks away from Petco Park and in the nearby East Village, which provides an opportunity for commuters to arrive by bus or by light rail. There are also several parking lots called the Tailgate Padres parking lots that are owned and operated by the city. They are located to the east of the stadium across Park Boulevard and present an excellent opportunity for parking a personal vehicle within 2 minutes of the stadium. Another opportunity to park for people driving to the venue is to the west of Petco Park. The 6th and K Parkade parking garage is a step away from the ballpark’s main gate. Even with these opportunities for commuters, Petco Park is also very well oriented towards pedestrians. As the juxtaposition of the Gaslamp Quarter BID and Petco Park indicates in Figure 3.9, it is within 0.2–0.4 miles to get from any point of San Diego’s Sixth Avenue to Petco Park. Not only is the neighborhood walkable, it offers a variety of small businesses to shop in, as further sections of this thesis describe that Gaslamp Quarter BID has the highest concentration of commercial establishments in the city.

Harbor Drive acts as a manmade separator of Petco Park from the San Diego Bay. Largely occupied by the Convention Center, the waterfront is somewhat secluded, which is a potential limitation of the area. For the most part, it is perceived that event attendees would continue their entertainment to the north and north-west of Petco Park. Additionally, a trolley line runs parallel to Harbor Drive, making it twice as hard and partially unpleasant to cross a busy street. All complications aside, there is still not a lot of development happening in the marina, as the Convention Center occupies a large chunk of the land favorable for waterfront activities.
Chapter 4. Methodology

Research & Analysis Methods

Methodologically, the proposed research is predominantly and almost exclusively quantitative. The research is mostly concerned with measuring the economic health of the small business industry, particularly its full-service and limited-service food service and drinking establishment sector, in the City of San Diego, CA. Since the indicators associated with health of small businesses are derived from aggregate statistics of large datasets, quantitative research is best suited for the presented thesis work. Economic health, in essence, can be branded as the natural occurrence of a wide variety of successful indicators (Mehta 2011). Since Petco Park is located in the core downtown area of San Diego, economic health and proclivity to economic success of satellite businesses can help measure the impact of the larger anchor development. Speaking of the proclivity to economic success, it can be measured by a wide variety of different influencing factors, such as the overall state of the economy or other anchor development in San Diego’s downtown. Economic health is absolute to the vicinity of Petco Park, but is compared to and contrasted with the larger downtown, special districts such as promise zones, business improvement districts, and a revolving loan zone.

As for the techniques within quantitative research that are desired to be used as the primary explorative method, there is plenty of spatial and non-spatial analysis methods. At this point, it is important to draw a distinction that the impacts of Petco Park are considered paramount or superior to other forms of anchor development. Downtown San Diego executed a downtown revitalization
plan in the late 1990’s and early 2000’s, for which a variety of projects were administered (Erie et. al. 2008; Davila et. al. 2008). The downtown was in a way ‘extended’ to the south to feature high-density apartment development, an urban ballpark, a library, a convention center. In other words, Petco Park was not the only catalyst for presumed economic development and positive externalities affecting the small business industry and the restaurant sector in particular. Nevertheless, with all the control methods available, the research ensures to account for the context of time Petco Park was constructed. As the literature review suggests, there have not been development or revitalization projects of similar magnitude in San Diego, CA, at the time. For the purpose of this research, food service and drinking establishments were preselected due to their importance in the process of gameday operations. Professional sports spectators in urban environments associate going to a stadium with other forms of entertainment, and one of such forms is eating or drinking in a freestanding business outside of the stadium, as mentioned in the literature review.

The factor of diversity of small businesses can be examined in two different ways: internal diversity within one small business sector and cross-sector diversity of businesses. The primer is concerned with outlining diversity of businesses put into a bigger collective realm, for instance, restaurants or hotels. Among restaurants classified as small businesses, for example, there is a diversity in cuisines, and the more cuisines there are, the more diverse the sector is. The latter, on the other hand, is concerned with the ‘722’ family of NAICS codes within the small business industry. The more code designations there are in San Diego, CA, the more diverse the economy is as a whole. It can offer more goods and services to people no matter their interest and involvement with the
Petco Park, its occupant – the San Diego Padres, or their attendance of secondary non-baseball events in the facility.

With the primary distinction method mentioned in the ‘722’ NAICS family of codes, there are a lot of other data points that would have to be collected throughout this research. The direct impact of the major stadium can be felt on such industries that provide accommodations in the service industry that are connected with a baseball gameday. Typically, individuals do not attend a sports game without paying a visit to one or several of the other businesses. This is considered to be part of the culture of going to see a game at the stadium, part of the culture of watching live baseball in the first place (Mastromartino et. al. 2018). Therefore, it is crucial to understand which NAICS industries get affected the most on gamedays, since this is when Petco Park has the most active influence on the satellite businesses as an anchor and a stadium in a diluted sports district. If there were one research technique to assess the impact of Petco Park on the small business industry in downtown San Diego, it would be Paul Miller’s technique which was used to assess the impact of urban stadia erection in St. Louis on the construction industry. Here, the author uses a multifactorial model to accurately model the impacts Busch Memorial Stadium had on the construction industry in St. Louis (Miller 2002). And while this study is dedicated to measuring short-term impacts on a non-entertainment industry, it contains a framework of analysis through economic impact that can be partially borrowed. Again, as stated earlier, the proposed thesis does not mimic any of the previously tried research methodologies to the fullest. Instead, it takes steps and techniques to create a new model of impact assessment.
Generally, the research process proposed is designed to involve four major techniques in the exploratory analysis realm:

1. Industrial & Sectoral Analysis;
2. Sub-Categorical Analysis;
3. Spatial Analysis;
4. Review of Special Districts (such as Business Improvement Districts, East Village Promise Zone, and the Revolving Loan Zone).

Furthermore, each of the types of analysis is broken down into sub-categories. For better organization, some of the specific techniques used to test for the level of economic health on a spatial level are indicated in Table 4.1 below.

Table 4.1. Spatial Analysis Techniques Used in Research

<table>
<thead>
<tr>
<th>Tool</th>
<th>Application of the Tool</th>
<th>Geographic Information System (GIS) Software</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Nearest Neighbor Indexation</td>
<td>Understanding how close to each other food service and drinking establishments are in areas of high and low concentration</td>
<td>ArcMap</td>
</tr>
<tr>
<td>Bayesian Kriging</td>
<td>Predicting the spread of food service and drinking establishments in San Diego’s downtown from a set of favorable conditions</td>
<td>ArcMap, GeoDa</td>
</tr>
<tr>
<td>Census Block Density Analysis</td>
<td>Measuring frequency of occurrence of food service and drinking establishments in various districts of San Diego using census blocks as units of analysis</td>
<td>ArcMap</td>
</tr>
</tbody>
</table>
Diversification and Spread Testing

Applying Lorenz curves and Gini coefficient to test for spatial spread of food service and drinking establishments and other businesses

Kernel Density Analysis

Measuring relative frequency of occurrence of food service and drinking establishments in various districts of San Diego

Moran’s I Indexation

Modeling and mapping spatial correlation of areas with high and low concentration of businesses

Radial Density Analysis

Measuring frequency of occurrence of food service and drinking establishments in various districts of San Diego using census blocks as units of analysis

Mainly, economic health is viewed as a healthy diversity indicator across ownership, chain vs. non-chain analysis, by geographic spread, and by cuisine type. The main argument here is with all sorts of diversity in the food service and drinking establishment sector, especially concerned with reflecting the health of the entire small business industry, are beneficial for the economic health. For instance, a wide set of cuisines/restaurant types in the same vicinity may attract a larger number of visitors by appealing to as many tastes as possible. Through the process of triangulation, arguably, a geographic space with definite boundaries (i.e. a city, a county) has a certain array of dining establishments to represent demands. In the end, through such triangulation, the process becomes parsimonious, with only the most well-established restaurant types surviving the economic demand principle. This is one of the reasons why so many pizza restaurants exist in today’s United States. Also, when taking local cultural
diversity into account, there is some level of skewing of businesses in order to be more reflective of such diversity. Nevertheless, general staples become such through an underlying economic process of elimination of some businesses. Testing for the economic health and diversity of food service and drinking establishments in San Diego, CA, helps determine what stage of the elimination process the city and its downtown are at, particularly following a major intervention such as an anchor entertainment facility that is Petco Park.

The main sources of data that have already been explored are the City of San Diego website, specifically the webpage of the San Diego Department of Treasury, and the SanGIS.gov website. The first webpage contains the list of all the active businesses in the city, and with the help of merge functions in either R Studio or Microsoft Excel, data from the Small Business Administration can be matched with information from the City of San Diego. The second webpage contains geographic shapefiles in San Diego County. In a way, the more enhanced pre-gathered data can be, the better, and merging business data from these two websites, both official, can be beneficial. Clearly, no data gathering is to be administered, and all data used in this thesis research is drawn from external sources. Should more sources come up in the future explorations of data sources, it will be added in the methodology section, but that is only pertinent to potential future research on the San Diego case study. One note that has to be made is that through the preliminary stages of research, numerous errors in data were encountered. In particular, some of restaurants, cafes, and bars were not properly labeled in the SanGIS.gov files. Editing the data and going through every single entry was the best way to correct pre-gathered data and put the necessary level of detail into it.
Key techniques, already outlined and used throughout this quantitative research, are all related to descriptive quantitative analysis. Creating charts, figures, tables, and maps as part of the basis for such analysis method is vital. What is even more paramount is the ability to interpret findings of the statistical data analysis and various models. In a broader sense, all techniques are complementary to each other, but, since the paper is proposed to be focused on economic impact analysis primarily, more effort is dedicated to exploring causality and attribution of various spillover effects to the development of Petco Park. Overall, the method of analysis at the population level produces multiple aggregated parameters, which lays out a framework for further analysis of the small business industry in San Diego, CA. The technique, in all hopes and aspirations, provides a necessary novel technique to exploring the economic health of small business industry after a major intervention in a downtown area.

**Research Assumptions**

One of the key roadblocks to the evolution of this research in various stages of its progression has been data availability. As it appears, the list of current operating small businesses from the Small Business Administration has not been updated for several years. With data download tools outdated, the SBA Dynamic Small Business Search tool did not prove to be an adequate source of data. Upon cross-referencing several addresses, some of the businesses suggested by the database have not been verified. The decision to move forward with a new set of data came from the geographic exploration and the mapping of a set of small businesses in San Diego, retrieved from the San Diego GIS warehouse.
To sum it up, the main assumption of this research is that all data attributed to it is from various timeframes of 2019. Furthermore, this has implications that are related to COVID-19. In this research, data from the times when a global pandemic was not yet even something remotely imaginable is used. This research assumes that the importance of pre-pandemic data, or the old normal, is a calque of what can be reproduced in a disputable amount of time. Basing research on data that has been measured, albeit inaccurately, in the midst of a force-majeure situation, is methodologically inappropriate.

As for the other urban anchors, put forward by the East Village Revitalization Plan of the late 1990’s, there is an assumption that these are not / have never been particular drivers of economic development specifically in the context of food service and drinking establishments. The rationale for the San Diego Convention Center not having a lot of impact on the downtown restaurants is its location. Primarily, as described and illustrated on a map in Chapter 3, Harbor Drive and the trolley line act as a separator of the Convention Center from the rest of the downtown. And while Petco Park is still accessible by foot, its counterpart in the face of the San Diego Convention Center cannot boast the same level of connectedness to the urban core.

The induced impact of having the San Diego Central Library as an anchor of development will also be taken into account. A library, in general, is a core piece of infrastructure that is available in almost all towns, regardless of their size. It can be argued library is as core as a fire department or a town/city hall. Therefore, the whole system of San Diego libraries, even with all of its supplementary features and its proximity to food service and drinking establishments, cannot be directly linked to provision of customer base for
satellite businesses. There is no literature that was found that would support a hypothesis that a library increases the throughput of local restaurants. This research will assume that while there is some disproportional split in the magnitude of the library’s contribution to the economic scene, it is rather small in comparison with the contribution Petco Park makes as an anchor of development. Partially, the issue is aimed to be addressed in the ‘Contributing Factors’ section in Chapter 5.

The impact that Petco Park provides to the whole Downtown is year-round and not seasonal. This assumption is derived from the fact that California has a relatively mild and warm summer climate, and it does not precipitate as much. Partially, this justifies Petco Park’s, among other California Major League Baseball stadia, construction without a dome or a retractable roof. It is just simply not necessary and even useless in a dry warm climate. Thus, Petco Park can host events year-round, and events can range from sporting events, which are its primary purpose, to open-air concerts and exhibition matches for other kinds of sports. There may certainly be fluctuations based on how many people attend games during the regular Major League Baseball season, whether the San Diego Padres make the playoffs, the number of community events at the stadium, and so on. However, it is not the purpose of this research to even attempt to predict or explain the degree to which attendance and customer base size fluctuates throughout the year. In this thesis, there is an assumption that the average throughput rate of an anchor such as Petco Park is high enough that local businesses can have access to a sizeable customer base at all times. Then, since the research is testing for the economic health of a sector within the small business industry, an assumption can be made about the fairness of the
distribution and access to the customer base for all food service and drinking establishments.

One last assumption that this research is attempting to make is that 2019 is the year that a snapshot of the condition of San Diego businesses was taken. In other words, the environment contemplated upon in this thesis is not dynamic. Like with most research designs that have to deal with samples of several thousand of entries, there may be a chance a part of the sample is lost or exits the population from the moment research is commenced. Thus, the most recent data upload to San Diego GIS warehouse will be considered absolute in terms of the number of businesses provided. This research acknowledges the importance of the unveiling pandemic and its negative impact on small businesses, but the nature of this research is to lay out implications within the pre-pandemic Downtown San Diego. In summary, food service and drinking establishments will be counted based on the fact that they remained in the registry as of 2019, not as to why they opened in the area or how long they have stayed open for.

**Research Limitations**

Even with the sudden savior that the database of registered businesses was coming from the San Diego GIS warehouse, a lot of unnecessary data had to be retracted from the list of businesses in San Diego. The data provided by the warehouse also had some missing elements of the urban fabric, and some of the businesses were misclassified into a different category. This issue was resolved by meticulous repair of sourced data, however. It cannot be said that this was a limitation of the quality of research, but rather a roadblock that prolonged the preliminary research phase. With the everchanging environment, there is still no
clear data on the food service and drinking establishments in San Diego, and this data is designed to be hard to find due to the size of the city and its shifting economic base.

As for the limitations of research itself, it can be argued that combining terms from very distant disciplines may not yield a positive outcome. Literature does not support the idea of branding a relationship among satellite and anchor businesses commensal, and adaptation of the term from the biological field was necessary for advancing the research. However, this was the best possible term that could have been used to name the relationship accurately. This is a greater limitation of not just the research process, but the general tributary research field in the realm of planning.

Furthermore, economic health is a macroeconomic term and not being the best methodological predictor of success. In the field of macroeconomics, it has been widely used and cited, however, there has not been much research around economic health of microeconomic concepts. The term ‘health economics’ means something entirely different from the economic health implied in this research. Still, ‘health economics’ and tangential topics were coming up during literature research. The model of adapting a macroeconomic term to serve the benefit of advancing the research is not sustainable, as many of the interpretations do not fit. In general, creating a different interpretation may mislead other researchers in the larger academia. When two definitions of the same term meet, usually the one with a longer history of efficient use is triumphant in attracting more researchers and elaborators.

Another limitation of this research is tied to the potential retraction of some news pieces and stories of opposition against Petco Park. From formal
institutional literature, it appears to be that Petco Park was widely glorified during its construction, as well as shortly afterwards. A lot of periodical literature on the topic, including web resources and newspapers, cites the success of Petco Park in enhancing the East Village’s character and preserving its historic parts. Such array of news may have silenced alternative points of view, which, in ideal research setting, would have been crucial for a closer review. It even feels, although rather slightly, that the preservation of Western Metal Supply Co. building could have been a decoy to take the eyes of the press away from the issues the sponsoring company, Petco, Inc., was experiencing at the time (Misener & Mason, 2006, 2008).

**Summary of Variables**

The aforementioned indicators of economic health of the small business industry are to be utilized to test for contribution that Petco Park may have provided. The following list of indicators is to be used and derived through the research and review of existing data:

*Table 4.2. Indicators to Be Used in Industrial & Sectoral Analysis*

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Symbol</th>
<th>Formula (If Applicable)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Food Service and Drinking Establishments</td>
<td>N(de)</td>
<td>SUM(de) in Area</td>
</tr>
<tr>
<td>Diversity of Food Service and Drinking Establishments</td>
<td>D(de)</td>
<td>COUNT(#D)SUM(de) in Area</td>
</tr>
<tr>
<td>Number of Non-Dining Establishments</td>
<td>N(n(de)</td>
<td>SUM(n(de)) in Area</td>
</tr>
<tr>
<td>Diversity of All Businesses</td>
<td>D(ab)</td>
<td>COUNT(#D)SUM(de+n(de)) in Area</td>
</tr>
</tbody>
</table>
Intra-Sectional Diversity of Food Service and Drinking Establishments

<table>
<thead>
<tr>
<th>Ownership Type</th>
<th>ISD(de)</th>
<th>DIFF(Type of Establishments)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chain Attributor</td>
<td>C(de)</td>
<td>COUNT(Chain de)/Count(de)</td>
</tr>
<tr>
<td>Non-Chain Attributor</td>
<td>NC(de)</td>
<td>COUNT(Non-Chain de)/Count(de)</td>
</tr>
<tr>
<td>Ownership Type</td>
<td>D(ownership)</td>
<td>N/A</td>
</tr>
</tbody>
</table>

* all formulas presented are conceptual, they illustrate variables as functions of other variables

Analyzing food service and drinking establishments in Downtown San Diego and beyond will not only help in emphasizing differences between the operations of the urban core and the transportation-oriented development, but will also expose what unique conditions Petco Park is situated in. Stressing the detail about two scales of small business diversity is also important, and the way to appropriately measure economic health is to research variables by which businesses differ. Certainly, it does not take rigorous drill-down to recognize a food service and drinking establishment from a car wash, but the question of scale is of bigger importance. With high precision at the individual level, aggregating indicators will be able to provide a better understanding of the environment Petco Park has helped to establish, with varying levels of involvement.
Chapter 5. Exploratory Analysis

**Control Metrics**

Control metrics are necessary for this type of research, as they introduce the ground rules of what to set a sight on. They are similar to milestones or key performance indicators (KPI’s) in various business and non-business processes. To always keep the control metrics in mind is crucial for a better understanding of the processes that may feel secluded from first sight. First, the rate of retention of incoming businesses is a control metric that shows the proclivity of businesses to stay in the area. Undoubtedly, in areas with strong healthy economies, such rate of retention will be higher than in areas with low business engagement and lack of supporting factors. One of such factors is an availability of a nearby development anchor, and this is exactly why this control metric is important for the research.

Additionally, perceived capability rate has to be taken into consideration as one of the metrics controlling the processes. Taken from the realm of business, perceived capability rate is the rate at which a commercial establishment can successfully operate. Although it may never be measured successfully for every single restaurant in San Diego, it has to be taken into account that some businesses are successful because of their capability to perform under duress. For example, during game days or open-air concerts at Petco Park, when the perceived influx of customers would arrive in downtown businesses, some may have been performing better than the others. Over time, this contributed to the perceived quality of service, and some of the local businesses have become staples or customer attractions in the greater area.
The ability and desire of businesses themselves to take risks and engage in non-standard practices to attract customers is another control metric that will not be analyzed for but will be referenced for a better understanding of the whole picture. It is a fair assumption that when new concepts in restaurant industry emerge, it usually contributes to a more diverse economic base. For instance, when dining establishments try out bringing rare cuisines or provide services that have interwoven roots of different cuisines and styles, they take on a risk of not becoming a local staple. In this instance, like previously mentioned, the variance of possible outcomes is very high: it is either quick ascend to glory or a rapid decline and closure. It can be argued that in an area where both restaurant staples and potential disruptors are present and are proportionally correlated, the overall health of the sector will be higher. And diversity is not the only part of this implication, although it is also responsible for predicting the variance in outcomes of the type of dining establishment. Economic health of the industry is predicated on diversity, as mentioned in the ‘Research Assumptions’ section of Chapter 4. Therefore, businesses that take risks are usually also rewarded with higher returns, since there will be no competing businesses in the same niche. The percentage correlations of staple restaurants to risk-reward establishments has not been accurately measured, but as a future endeavor, such a study can prove to be resourceful. Yet, there is a general perception that only a small percentage of dining establishments has to be engaged in non-standard business practices in the industry. In a hypothetical scenario, if too many businesses are concerned with serving drastically different exotic products or services, it will not cater well to the majority of people used to staple establishments.
All of these control metrics provide a reminder that not all the patterns can be determined by spatial, industrial, or sub-categorical analysis. Sometimes, there are metrics across research that cannot be appropriately gauged without significant time (at least one year) of constant monitoring and revisiting. Even though they will not be specifically tested for, their impact is responsible for some of the variance achieved in further analysis.

**Spatial Analysis**

The following section of analysis is concerned largely with spatial and geographical features of dining establishments in the City of San Diego. Specifically, the Downtown and Petco Park vicinity are being explored for potential spatial patterns, distribution equality, and predictive validations. This section specifically attempts to uncover the quantitative characteristics of San Diego dining businesses and project them in map forms.

To commence the spatial exploration of the target community, the list of businesses is divided into dining establishments and non-dining establishments. This is initiated to separate the list of businesses under closer analysis from the list of other businesses that serve as a control group. Kernel density maps, shown in Figures 5.1.1 and 5.1.2 below tell a particular kind of story. First, it can be seen from the juxtaposition of the two maps that all businesses, regardless of their primary purpose, are organized around the same districts. Some of the areas of high concentration of businesses include the Downtown, Mission Valley and Interstate-8 corridor, Market Street, and the greater Downtown waterfront. Non-dining establishments are a little bit more dispersed, as can be incurred from the intensity and the transparency of the hues in Figure 5.1.2. Some of the areas, like
the Mission Trails Regional Park in the eastern part of the city, remain completely free of any kinds of businesses. From these two maps, a basic understanding of the spread of businesses can be formed. Generally, both dining and non-dining establishments follow similar patterns of high and low areas of concentration.

Figure 5.1.1. Kernel Density of Dining Establishments in the City of San Diego

Figure 5.1.2. Kernel Density of Non-Dining Establishments in the City of San Diego

To further elaborate on the spread and count of dining businesses specifically, a look at the census block density is taken. It has to be stressed that census block is the smallest scale of data collection by governmental agencies like the US Census Bureau and the Economic Development Agency, hence, it is the most accurate scale at which the spread of dining establishments can be accurately gauged. Precise measurement is necessary for a better grasp of which
overlay districts dedicated to the support of small businesses are leading the effort in making Downtown San Diego the living heart of commerce in the city. Figure 5.2 zooms into the immediate vicinity of the three anchors of revitalization according to the East Village Revitalization Plan. One of the notions from the map below is that four of the top ten census blocks in terms of concentration of dining establishments are within the Gaslamp Quarter BID.

*Figure 5.2. Census Block Density of Dining Establishments in the City of San Diego*
In fact, all four of the aforementioned census blocks with a very high concentration of dining establishments fit in the 2 by 3 city block rectangle framed by the vertical lines of Fourth and Sixth Avenues and the horizontal lines of G Street and Broadway. This area also so happens to be at the convergence of the Revolving Loan Zone (RLZ) and the East Village Business Improvement District (BID). Elaborating further, there are numerous blocks in the southern Downtown that do not have any restaurants at all. This fact speaks to the cultural appropriation dining businesses concentration along the famous Fifth Avenue in the Gaslamp Quarter, where the original gas lamps used to light the streets in the past. The further away from the Downtown focus shifts, the lower the concentration of dining establishment becomes, aside from one outlier near the San Diego piers and the marina area on the San Diego Bay. A high number of dining establishments in the census block that contains part of the San Diego Convention Center is attributable to the larger size of the census block. Since it is a block with no housing properties, and all full-scale restaurants to the north of the San Diego Convention Center form a neat upscale restaurant cluster by the water, such an outlier can be weighed to be minor compared to the cluster around the Fifth Avenue in the 2 by 3 city block rectangle described earlier in this paragraph.

The research also recognizes the necessity to introduce additional units of analysis within the City of San Diego itself. No comparisons with stadia vicinities, or neighborhoods, of other communities are to be made. The major reason for this decision is that the format of this thesis is largely a case study with elements of various analyses to represent and highlight economic health questions that other researches have not answered or answered using more
common methodologies. By introducing additional stadia and their surrounding neighborhoods to this research, new exploratory techniques become available.

And while Petco Park and its surroundings are to be set as the benchmark for other stadia with less economic activity around them, it is important to recognize that Petco Park, not other arenas and stadia included in Table 5.1, is the focus and the supporting framework for this research.

Table 5.1. Professional Sports Stadia of San Diego & Their Characteristics

<table>
<thead>
<tr>
<th>Stadium Name</th>
<th>General Vicinity</th>
<th>Capacity</th>
<th>Current Tenant(s) *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petco Park</td>
<td>Downtown; East Village</td>
<td>44,250</td>
<td>San Diego Padres (MLB)</td>
</tr>
<tr>
<td>Pechanga Arena</td>
<td>Old Town; Midway District</td>
<td>12,900</td>
<td>San Diego Seals (NLL); San Diego Strike Force (IFL)</td>
</tr>
<tr>
<td>Torero Stadium</td>
<td>University of San Diego</td>
<td>6,000</td>
<td>San Diego Legion (MLR)</td>
</tr>
<tr>
<td>Balboa Stadium</td>
<td>East Village &amp; Balboa Park</td>
<td>3,000</td>
<td>San Diego Growlers (AUDL)</td>
</tr>
<tr>
<td>SDCCU Stadium (Former Qualcomm Stadium)</td>
<td>Mission Valley</td>
<td>70,561</td>
<td>San Diego 1904 Football Club (NISA); San Diego State University</td>
</tr>
</tbody>
</table>

*where MLB = Major League Baseball; NLL = National Lacrosse League; IFL = Indoor Football League; MLR = Major League Rugby; AUDL = American Ultimate Disc League; NISA = National Independent Soccer Association.

When it comes to the leagues that have franchises in San Diego, only one of the major four professional leagues (for the sports of football, basketball, baseball, and hockey) is represented. Major League Baseball has not been long-established in the city, and the San Diego Padres have been playing their games for the most part at the SDCCU Stadium, which was formerly known as Qualcomm Stadium due to the company naming rights deal. As discussed in
Chapter 3, it was not until the early 2000’s that the project to relocate the Padres to the downtown of San Diego actually broke ground. Petco Park was one of many stadia in the country to initiate the first wave of professional sports facilities comeback to the urban core.

Table 5.1. also outlines other stadia that can be considered utilized or rented out by professional franchises. Pechanga Arena, located in the Midway district, is an indoor arena hosting box lacrosse and indoor football events. These sports are somewhat niche and lack constant fanbases. In most instances, like in the case of the National Lacrosse League (NLL), franchises are owned by the league itself, which complicates free-market relocation and segmenting. Instead, the league usually seeks an optimal financial decision to find a cheaper area.

Next, Torero Stadium on the campus of University of San Diego is a multipurpose facility, but currently it serves as home venue for the Major League Rugby San Diego Legion. Due to the nature of this stadium, as it will be reflected in further research, the stadium lacks nearby dining facilities and other amenities. Moreover, with the assorted dominance of football, rugby has not been regarded as a popular sport in the United States. Balboa Stadium near the largest San Diego park, Balboa Park, is somewhat different from the other stadia since it is only a semi-professional facility. It is available as a public stadium to the community year-round and sometimes hosts county football high school championships. It is a facility that contributes greatly to the recreational scene in San Diego’s suburbia, and there is an ultimate frisbee franchise – the San Diego Growlers – that calls it home. Ultimate, arguably, is even more of a niche sport than rugby, but it is known to have a devoted and caring fanbase. As it can be seen from this descriptive analysis, Petco Park is truly the most modern, most
urban, and most lively professional stadium in all of the City of San Diego. It is superior to any other stadium in modernity, capacity (except for the cookie-cutter SDCCU Stadium), functionality, and comfort.

To represent another dimension of spread and density of dining establishments, the research was taken into the phase of radial geographic analysis. Hypothetically, an urban stadium would need to be within 3- to 4-minute walk within a parking facility and about a 8- to 10-minute stroll from other parts of the downtown that have more well-suited dining and satellite entertainment amenities. An average walking speed of a person under normal circumstances – no extenuating circumstances – is about 2.5 to 3.5 miles per hour. This speed is also characteristic of people who are enjoying a nice night out in San Diego’s Downtown or just any downtown. This is the rationale for Figure 5.3 having two buffers around Petco Park: 0.2-mile and 0.5-mile.

*Figure 5.3. 0.2- and 0.5-Mile Radial Density Zones around Petco Park*
Roughly, 0.2 miles can be walked by an average person in 3–4 minutes, and 0.5 miles will take an average person 8–10 minutes. The parking facilities described earlier when outlining the characteristics of the surroundings of Petco Park in Chapter 3 are within the 0.2-mile radius from the ballpark. Certainly, exact distances are based on the location from the entrances, but the deviation is within 0.5 minutes and should be neglected. There is not a lot of commercial activity in the immediate (0.2-mile radius) vicinity of Petco Park, as most of the dining establishments and other satellite service enterprises are located further north and north-west. The 0.5-mile radius stretches beyond to include parts of central Downtown and even reaches as far as Market Street, a major artery for transportation, development, and retail trade. This radius is more reflective of the walking distances people expect to travel from various downtown accommodation, food service, and retail businesses. Given the widespread network of public transportation, 0.5-mile radius can also include hop-on and hop-off commuters, however, the San Diego RTA (Regional Transit Authority) does not provide routes that are free of charge in closed zones. An example of such a transportation system would be the Brickell monorail system in Miami, FL. By all means, it does not seem like such a system would be warranted in San Diego, as the pattern of the Downtown offers interconnectivity for various modes of transportation.

Elimination of the area south of Petco Park is purposeful for reasons previously mentioned. Harbor Drive with open-street trolley lines and wide lanes acts as a separator of the Downtown from the marina. Moreover, there are limited parking facilities and housing amenities south of Harbor Drive, therefore, not many local people or commuters alike are projected to walk from the marina.
to Petco Park for an event. Most likely, people continue their entertainment or
day out on the water upon conclusion of a baseball game at Petco Park.
However, with most games starting at 6:40 pm on weekdays, weekends and
Sundays for the most part provide an opportunity to walk closer to San Diego
Bay. Petco Park is not only the extension of the Downtown further south, it is a
gate to the beautiful marina. For the purpose of spatial analysis accuracy, no area
south of Harbor drive was included in either of the radii in Figure 5.3, as
preliminary analysis depicts that area to not have a wide selection of dining
establishments.

The spread of dining establishments also had to be taken into account.
With the control group of non-dining establishments, food service businesses
were separated from the population. Divided into census block groups, counts
were then projected on a map which was included under the name ‘Figure 5.2.
Census Block Density of Dining Establishments in the City of San Diego.’ However,
since Figure 5.2 expands the Downtown so much, and due to the size of census
blocks there was virtually no reason to create a full-scale map of all of San Diego,
the approach was taken to introduce Gini coefficients and Lorenz curves. These
tools are highly useful in showing the bigger picture of clusters, spread, and
equality of access to various businesses. For the purpose of analysis of dining
establishments versus non-dining businesses, equality of access narrative was
omitted from the research. Scaling land area distribution of San Diego businesses
also notifies readers and reviewers about how much land is either available or
occupied by different forms of development not related to commerce
whatsoever. It is not proven whether there is a healthy relationship coefficient
between land used for commercial purposes and land dedicated to purposes like
housing and manufacturing. However, it is an assumption that a well-planned community would aim for accounting for open space needs, housing needs, and economic wants of the larger community. What is represented in Figure 5.4 on the next page is the population-level analysis of the spread and sprawl of San Diego businesses, divided into two categories to align with the title and the key research questions of this thesis.

*Figure 5.4. Lorenz Curves for San Diego Businesses and the Line of Equality*

Something that the graph above portrays is the extreme concentration of all businesses compared to San Diego area. The line of equality represents perfect distribution of all enterprises on a spatial basis, which is certainly not plausible in the real-world setting. However, it is a great benchmark for comparison of the spreads. What is somewhat surprising about the Lorenz curves of non-dining and dining establishments is that the primer ones are significantly more concentrated compared to dining establishments. The real separation of the
curves starts around 30% percentage of businesses, as this demarcates the approximate percentage of land with no dining establishments at all – roughly 85%. The curve for dining establishments is not as steep in the part where it bends and approaches 100% on the x-axis. Thus, it can be stated with confidence that there may be numerous restaurants that are free-standing and that, on average, clusters of restaurant-based development are smaller in the number of entities per cluster.

Lorenz curve analysis also introduced the notion of Gini coefficients to verify spread and diversification of dining establishments in all of San Diego and then individual stadia vicinities or neighborhoods. Gini coefficient varies from 0 to 1 and indicates how unevenly spread a criterion is on a map. Judging by census blocks as the unit of analysis, Gini coefficients were calculated first for the information introduced in Figure 5.4 (Table 5.2) and specifically for dining establishments at various neighborhoods adjacent to the pre-selected stadia (Table 5.3). The bottom-line disposition that propelled Gini coefficients to be calculated is that there is a lack of sufficient understanding of how similar most of the development around stadia, both urban and rural, is. As indicated by Table 5.2, there is some difference in diversification of non-dining businesses compared to dining establishments at 0.033 and 0.008, respectively.

Table 5.2. *Gini Coefficients for Restaurant Businesses Spread*

<table>
<thead>
<tr>
<th>Type of Establishments</th>
<th>Gini Coefficient</th>
<th>Diversification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dining Establishments</td>
<td>0.967</td>
<td>0.033</td>
</tr>
<tr>
<td>Non-Dining Establishments</td>
<td>0.992</td>
<td>0.008</td>
</tr>
</tbody>
</table>
Other pieces of information that Table 5.2 provides are the relatively high clumping of businesses regardless of their category or attribution, and an almost perfect inequality of distribution of non-dining businesses. On a street or neighborhood scale, this could be experienced by having at least a neighborhood restaurant via a special provision or permit to remain or open in a mostly residential neighborhood, but the inability for a regular business to open in a similar highly populous locus. Moreover, inequality in distribution of all businesses comes from the fact that communities often incentivize high areas of development concentration without much dispersing through various codes. San Diego, in particular, looks a certain way because of preempts zoning policies, and it is unclear whether providing the chance for the economic satellite to clump is generally a bright idea. Outlined below in Table 5.3, there are statistics for the levels of spatial diversification of restaurants across five stadium vicinities, later referred to as ‘neighborhoods.’

*Table 5.3. Gini Coefficients by Neighborhood of San Diego [for Dining Establishments]*

<table>
<thead>
<tr>
<th>Stadium Vicinity (Neighborhood)*</th>
<th>Gini Coefficient</th>
<th>Diversification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petco Park Vicinity</td>
<td>0.943</td>
<td>0.057</td>
</tr>
<tr>
<td>Pechanga Arena Vicinity</td>
<td>0.986</td>
<td>0.014</td>
</tr>
<tr>
<td>Torero Stadium Vicinity</td>
<td>0.993</td>
<td>0.007</td>
</tr>
<tr>
<td>Balboa Stadium Vicinity</td>
<td>0.990</td>
<td>0.010</td>
</tr>
<tr>
<td>SDCCU Stadium Vicinity</td>
<td>0.983</td>
<td>0.017</td>
</tr>
</tbody>
</table>

*Vicinity is outlined as 0.5-mile radius from the stadium. Further referenced to by the term ‘Neighborhood.’*
The microscopic differences in diversification indexes for all five neighborhoods identified are negligible. Ranging from 0.007 to 0.057, these parameters manifest low equality in the spread of dining amenities across major sport-oriented districts (or, at the very least, districts that contain an athletic facility where professional sports are being played). There is no new or exciting information based on the diversification analysis. Except, there is one detail that has to be highlighted about the Gini coefficient of Petco Park Vicinity. It is the smallest by a wide margin out of all five represented in Table 5.3. There is an indication that in the urban environment, which is only represented by Petco Park in this case, there is a higher degree of spatial spread. One of the potential justifications for yielding a lower Gini coefficient for the Petco Park Vicinity is the proclivity of the urban built environment forms to retain a high degree of propinquity. In other words, there are plainly more buildings to host service-level businesses, as they stand so closely in an urban core as opposed to other patterns of development. Again, the policies from planning and zoning professionals come into play, as we can see by Gini coefficients that Petco Park Vicinity is the healthiest out of all five neighborhoods presented. This is due to a higher degree of spatial diversification and spread relative to space.

The challenge presented by spatial analysis is to properly distinguish between spatial diversification relative to area and spatial cluttering relative to area. Gini coefficient analysis tells only one half of the story about the primer indicator, the latter, however, can only be answered by a more advanced exploration of homogenous representatives of the same class. This is where average nearest neighbor analysis comes into play as a convenient and practical tool to help address the other index that is an inseparable part of diversity and
economic health study. This thesis focuses on both the Gini coefficient and the average nearest neighbor analysis, among other tools, to limn the finest narrative possible.

As Figure 5.5 indicates, restaurant industry in Downtown San Diego is organized in series of clusters. What the incredibly low z-score of about -107 tells is that the cluster clotting of dining establishments is extremely high. In other words, San Diego dining establishments are 10 standard deviations away from the equal distance between them. Nesting of several restaurants in the same building or block is happening, and, in a way, commercial activity in the restaurant sphere attracts other restaurants, which could have been forecasted before the average nearest neighbor analysis was conducted. There are almost no freestanding dining establishments in the City of San Diego, which is indicative of precarious zoning standards and separation of land use types. Clustering of restaurants provides a number of benefits, which will be discussed in Chapter 6.

*Figure 5.5. Average Nearest Neighbor Indexation Normal Distribution [for Dining Establishments]*
Average nearest neighbor analysis serves as a method for evaluating not only spatial dispersion versus concentration but also for solidifying results with a degree of probability. As seen in column [4] of Table 5.4 below, z-score is responsible for providing the number of standard deviations away from the mean. Usually, if the absolute value of z-score is higher than 2.58, there is a significant indication of absence of random chance on a hypothesis test. In other words, the higher the absolute value of the z-score is, the more confidently the nearest neighbor ratio can be trusted. As observed below in Table 5.4, no overlay zone or neighborhood in all of San Diego, as well as the city itself, are subject to random order of placement of their dining establishments.

Table 5.4. Average Nearest Neighbor Indexation for San Diego Restaurants

<table>
<thead>
<tr>
<th>Overlay Zone or Neighborhood</th>
<th>Observed Mean Distance (in US Feet)</th>
<th>Expected Mean Distance (in US Feet)</th>
<th>Z-Score</th>
<th>Nearest Neighbor Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Village Business Improvement District</td>
<td>134.41</td>
<td>204.51</td>
<td>-5.64</td>
<td>0.657</td>
</tr>
<tr>
<td>Gaslamp Quarter Business Improvement District</td>
<td>27.58</td>
<td>52.13</td>
<td>-11.36</td>
<td>0.529</td>
</tr>
<tr>
<td>Revolving Loan Zone</td>
<td>84.32</td>
<td>114.11</td>
<td>-12.88</td>
<td>0.739</td>
</tr>
<tr>
<td>Petco Park Vicinity</td>
<td>33.44</td>
<td>59.12</td>
<td>-6.38</td>
<td>0.567</td>
</tr>
<tr>
<td>Pechanga Arena Vicinity</td>
<td>102.78</td>
<td>196.50</td>
<td>-15.34</td>
<td>0.523</td>
</tr>
<tr>
<td>Torero Stadium Vicinity</td>
<td>1344.71</td>
<td>2503.98</td>
<td>-138.92</td>
<td>0.537</td>
</tr>
<tr>
<td>Balboa Stadium Vicinity</td>
<td>168.12</td>
<td>197.49</td>
<td>-25.11</td>
<td>0.851</td>
</tr>
<tr>
<td>SDCCU Stadium Vicinity</td>
<td>205.65</td>
<td>203.98</td>
<td>-203.14</td>
<td>1.008</td>
</tr>
<tr>
<td>The City of San Diego</td>
<td>145.39</td>
<td>910.99</td>
<td>-106.97</td>
<td>0.160</td>
</tr>
</tbody>
</table>
In a greater sense, z-score measurements imply that planning in San Diego has been thoroughly reviewing development initiatives at a level of permitting new businesses and enterprises. Other characteristics of the sample included in the table are also very informational and can provide key insights into the state of overlay zones and stadium vicinities. Observed mean distance and expected mean distance both refer to the distance in feet from one business in the sample to the next in the confines of a respective geographical boundary. Observed mean distance is something that can be measured by calculating the average of distances, and expected mean distance is an estimate provided by the computer on how dispersed a sample would be geographically based on the area and the number of observations in a sample. With all of the nearest neighbor ratios in column [5] being below 1, except for one, there is an indication of clustering of businesses and a high dependence on surrounding area’s proclivity to host dining establishments. Since nearest neighbor ratio is calculated by dividing the observed mean distance by the expected mean distance, it can also be added that the estimates provided by the computer in this model were skewed to the right. Among all of the geographic units described in Table 5.4, Petco Park Vicinity and East Village Business Improvement District have the highest degree of confidence with which their ratios were verified. The two areas with the least dispersed pattern of dining establishment development are Pechanga Arena Vicinity and Gaslamp Quarter BID. Throughout this research, some abnormalities have been identified within the data, which led to shortening of the list of neighborhoods under consideration.

For further considerations, SDCCU Stadium data is not be recorded due to a low number of nearby satellite businesses. Through the process of reflection-in-
action, as well as elimination of insignificant values, SDCCU Stadium will no longer be referred to for drawing comparisons between various styles of stadia. It seems as if San Diego, just like most communities across the United States, has abandoned the idea of trying to repurpose a 70,000-seat stadium from the era of cookie-cutter professional sports facilities. One size does not fit all, indeed, as the evolution of sport spectatorship has led to stadia like Petco Park decreasing their seating capacity. For the record, all other stadia remain under investigation for control and comparison purposes in this research, as they have been verified to have a substantial tenant base, adequate seating capacity, and significance in terms of concentrating enough satellite businesses in the immediate vicinity.

Finally, the nearest neighbor ration demonstrated by SDCCU Stadium Vicinity, is indicative of not only mild dispersion, but no particular pattern of development or organization of space. In a greater set of implications, such a stadium is not the anchor of its neighborhood, as it is not regarded to be a particularly popular destination for entertainment purposes.

To summarize the exploratory phase of the Spatial Analysis section, another chart draws attention to the geographic distribution of all San Diego businesses. It felt somewhat necessary to include this piece of analysis due to the perspective it reiterates. First introduced in a duo of Kernel density maps as Figures 5.1.1 and 5.1.2, the concept of spread was only projected on a map and not counted. Since the last revision of census block distribution and area in 2010, the City of San Diego has 43,415 of them. To stress the key point here again, it has to be explained that census blocks are the closest unit of analysis for which federal and municipal data is gathered at. As Figure 5.6 reflects, a total number of 37,551 census blocks out of the total of 43,415 do not host a single business as
of 2019. While there is plenty of opportunity to expand this research to exclude any of the parks, housing districts, and manufacturing grounds and to accurately reflect the number of developable blocks, there is no guarantee it will lead further research to clearer understanding of San Diego’s patterns. It can be argued that the non-developable census blocks must be included in the total count to reflect how a municipality is approaching not just its business infrastructure, but its open space and housing policies.

*Figure 5.6. Distribution of Dining Establishment Densities by Census Block*

Moving further, the thesis moves to explore the richness of clusters of dining establishments throughout the City of San Diego. Along with the exploration, it judges how trustworthy the data is, as well as how much variation there is in the sample that could change the outcome of the process. By introducing the Moran’s I indexation technique, more has to be said to elaborate on why such a technique is important and what results it may add to the ones already available in this section. Moran’s I is a powerful tool that can help determine the propinquity of spatial clustering of non-distinct values.
As indicated in Table 5.5, global Moran’s I indexes for all eight geographic entities presented, including the larger region of the City of San Diego, are more than zero. For seven out of eight regions, global Moran’s I indexes approach 1 and are more than 0.5. Generally, Moran’s I index lies between the integers of -1 and 1. A positive value describes an area with a high degree of clustering and tendency to cluster further, if the z-score is also high. On the contrary, for indexes approaching -1, there is a dispersion of values from the same cohort.

Judging by the observations in Table 5.5, it can be stated that for all of the geographic entities presented, there is a proclivity to clustering of dining places. The city as a whole has food service and drinking places more dispersed than the interior areas of East Village BID and Petco Park Vicinity. On the other hand, the most clustering of dining businesses occurs in Gaslamp Quarter.

Table 5.5. Moran’s I Indexation by Neighborhood of San Diego

<table>
<thead>
<tr>
<th>Overlay Zone or Neighborhood</th>
<th>Global Moran’s I Index</th>
<th>Z-Score</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Village Business Improvement District</td>
<td>0.82</td>
<td>46.16</td>
<td>0.0000</td>
</tr>
<tr>
<td>Gaslamp Quarter Business Improvement District</td>
<td>0.96</td>
<td>59.13</td>
<td>0.0000</td>
</tr>
<tr>
<td>Revolving Loan Zone</td>
<td>0.86</td>
<td>43.72</td>
<td>0.0000</td>
</tr>
<tr>
<td>Petco Park Vicinity</td>
<td>0.76</td>
<td>14.94</td>
<td>0.0022</td>
</tr>
<tr>
<td>Pechanga Arena Vicinity</td>
<td>0.89</td>
<td>56.85</td>
<td>0.0000</td>
</tr>
<tr>
<td>Torero Stadium Vicinity</td>
<td>0.88</td>
<td>21.04</td>
<td>0.0013</td>
</tr>
<tr>
<td>Balboa Stadium Vicinity</td>
<td>0.45</td>
<td>38.41</td>
<td>0.0008</td>
</tr>
<tr>
<td>The City of San Diego</td>
<td>0.84</td>
<td>51.27</td>
<td>0.0000</td>
</tr>
</tbody>
</table>
Furthermore, validation of data using z-scores has proven to be effective. Out of all eight geographic entities under discussion, every single one has a z-score higher than 2.58, and from preceding sections, it is known that such high z-scores reflect integrity and extreme confidence in the quantitative method. P-values, encompassed in column [4] of Table 5.5, provide insight into the automatic computer-generated null hypothesis testing that occurred within ArcMap. P-values generally range from 0 to 1, and a p-value approaching its maximum value indicates that there is a high probability of statistical insignificance of the sample. However, the largest p-value in the table is for the Petco Park Vicinity at 0.0022, which is still less than the two-standard-deviation threshold of 0.05. If a p-value is less than 0.05, the conclusions returned by hypothesis test are statistically significant.

Bringing all of the insights of Moran’s I indexation together, some of the key observations have to be listed. Primarily, it can be seen that all of the geographic entities exhibit healthy business cluttering patterns, less so do the Petco Park Vicinity and the Balboa Stadium Vicinity. Since the latter is located near a major city park, a relatively low index value can be attributed to the proximity of open space with no dining establishments, as well as the general lack of restaurants nearby. Altogether, the values listed in Table 5.5 do not differ outside of the margin of error, and in general, as was indicated by other methods of spatial observational analysis, San Diego dining establishments gravitate towards each other in spatial distribution patterns.

Next up, the conclusion of this chapter is dedicated to a more rigorous predictive analytical method of estimation. Kriging is a tool to help outline current conditions of an area by speaking to the area’s future ability to attract
more of the same values. Various indicators that will be explained further in this section can be stipulated to create a successful Bayesian Kriging model. Figure 5.7 below illustrates how San Diego Downtown, particularly the Petco Park Vicinity and two of the Business Improvement Districts – Gaslamp Quarter and East Village – can benefit from predictive analysis and empirical projection of the Kriging model. In short, what the map below represents is a very particular set of characteristics forecasting favorable locations (in green) and not-so-favorable locations (in red) that new businesses can be expected in.

Figure 5.7. Predictive Analysis of San Diego Restaurant Occurrence Using the Bayesian Kriging Method
Taking everything else previously discovered across this Spatial Analysis section, the map should be investigated with precision. The very first pattern that can be observed in Figure 5.7 is the high probability of net new added dining establishments to East Village Business Improvement District. Getting a little bit ahead of the narrative, Figure 5.12 in the Industrial & Sectoral Analysis section demonstrates precisely the same thing: East Village Business Improvement District has a lot of potential for further development of food service and drinking places, both financially and spatially. Moreover, the majority of the dining establishments in the Downtown are concentrated around Fifth Avenue, which serves as the central axis for the Gaslamp Quarter BID. The borderline between high and low expectancy of newly added businesses runs north-south along Tony Gwynn Drive, which is close to where the two districts almost touch each other on the map. Another noticeable feature on the map is a half-block of the extension of Gaslamp Quarter Business Improvement District closer to the western part of the Downtown and Third Avenue. This extension has the characteristics of development continuum away from the main street, as the corridor along Market Street provides great opportunities for new food service businesses to get established.

The model explores such factors in the existing patterns of spatial spread as: the current number of food service and drinking places, observed mean distance between all entries in the population, expected mean distance between all entries in the population, clustering (or lack thereof) of currently available dining amenities on the premise of favorable business conditions, a presence of a business improvement district, as well as proximity to such. Since this is a computer-predicted model, it has a degree of inaccuracy, but not a degree of bias.
towards a particular zone or area. The main takeaway from this predictive analysis is that there is an immense opportunity for business growth and development to the east and north-east of Petco Park, and it sure does seem spatially that the stadium can serve as an anchor facility for the second wave of dining establishments in the Downtown, should it come.

As for the model’s characteristics, formulaic matter, and of its use of likelihood and posterior probability, they have to be explained individually to justify this method’s validity and righteousness. The way predictive Bayesian Kriging formula is set up can be seen in the equation in Figure 5.8. Two smallest parts of the equation are c and x, which represent class prior probability and predictor prior probability respectively. Prior probabilities represent the probability of a preexisting location (in this instance, a dining establishment in the City of San Diego) to be in the exact same place it is found to be at a moment of observation if the spatial distribution were to be completely randomized. Predictor probability is solely suitable for binary events, where the outcomes can only be distilled down to ‘yes’ and ‘no,’ or success and failure.

*Figure 5.8. Predictive Bayesian Kriging Formula*

\[
P(c \mid x) = \frac{P(x \mid c) \cdot P(c)}{P(x)}
\]

Combining probabilities results in a juxtaposition, and two other probabilities are introduced. In the sequence of \(P(x \mid c)\), the probability is labelled as ‘likelihood’ in Bayesian statistics. Likelihood is another way of estimating probability of mutually non-exclusive events likely to happen simultaneously. For instance, there can be room for several dining facilities on the same block, but the probability of that happening, taking into account past tendencies like the
pre-existing restaurant industry size, the advancements of a business improvement district, etc., is rather low. Also, another way to explain likelihood is by asking a hypothetical question: “What would happen, if we knew just the pre-existing conditions?” On the other hand, \( P(c \mid x) \), or something that Bayesian Kriging models strive to locate, is called ‘posterior probability.’ The simplest way to convey the message of the term posterior is by accounting for all of the evidence and background information as if an experimental trial run has already been conducted. Posterior probability deals with randomness, so another way to interpret Figure 5.7 is to ask what spatial distribution additional representatives of the sample or population would take if the rules of the experiment stayed the same as with the existing conditions. In other words, preexisting conditions of the spatial distribution are treated as the first trial of the experiment, and the pattern that is conveyed is given as a non-random chance probability.

**Industrial & Sectoral Analysis**

Another angle to analyze the dining establishments in the City of San Diego is concerned with the greater food service industry and its subsidiary sectors. In the form of a NAICS code, the 722 family of codes encompasses all of the businesses under analysis and creates a so-called sector. First, the geographies introduced in the Spatial Analysis – namely, the three special business and four neighborhoods – are continually utilized to show key overlay zones around Petco Park and to differentiate between various types of stadium vicinities for professional sports facilities. The initial task is to understand how large the food service sector is compared to the size of the entire business industry; the cohort has to be analyzed against other non-dining businesses to be
consistent with the research framework proposed earlier in this chapter. As reflected in Table 5.6, the count of businesses in special overlay zones in Downtown San Diego and its juxtaposition against the same type of count of businesses in all of the city reflects several patterns. While only 8.11% of all enterprises in San Diego are labeled as dining establishments, this category constitutes at least a quarter of all businesses in each of the Downtown overlay business incentive districts. This stems from the fact that the urban fabric favors dining establishments like restaurants and bars to form around office spaces and entertainment anchors, such as Petco Park.

Among the overlay districts presented, Gaslamp Quarter Business Improvement District has the highest relative share of dining establishments per total number of businesses. Already evidenced by the previous section of exploratory analysis, this observation comes with no surprise, since the district is famed for its splendid offering of dining amenities. East Village BID and the Revolving Loan Zone are largely the same area of San Diego, but since part of the latter intersects a small portion of the Gaslamp Quarter, its percentage of restaurant businesses compared to the total number is slightly higher.

Table 5.6. Percentage Counts of Businesses in Various San Diego Overlay Zones

<table>
<thead>
<tr>
<th>Overlay Zone</th>
<th>Dining Establishments</th>
<th>Non-Dining Businesses</th>
<th>Dining Businesses as % of the Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Village Business Improvement District</td>
<td>101</td>
<td>409</td>
<td>24.69%</td>
</tr>
<tr>
<td>Gaslamp Quarter Business Improvement District</td>
<td>113</td>
<td>293</td>
<td>38.57%</td>
</tr>
<tr>
<td>Revolving Loan Zone</td>
<td>125</td>
<td>468</td>
<td>26.71%</td>
</tr>
<tr>
<td>The City of San Diego</td>
<td>3,986</td>
<td>45,184</td>
<td>8.11%</td>
</tr>
</tbody>
</table>
The overall raw counts of dining establishments are representative of the downtown setting. With restaurant area being tough to measure without preexisting data, a count of dining establishments is the metric that is to be used instead. Measuring area ratios would have been an ideal measurement to include in industrial analysis, however, this information is to be left for later research due to the constraints. Original counts of all businesses also tell a story of a successful downtown. For instance, having a significant portion of small businesses in the urban core that are not related to food service favors customers who get to meet all of their needs and wants in one place. There is no homogeneity in the small business scene in any of the three blanket zones, and a further drill-down may indicate what kinds of businesses are listed as the non-dining 45,184 in the City of San Diego.

In a methodological repetition of the target areas, the four vicinities are explored next on the same premise of finding out what percentage of total businesses are food service establishments. As Table 5.7 below suggests, dining establishments are only plentiful in the vicinity of Petco Park. Other stadia, due to various reasons, are not viewed as anchors of development in their areas.

Table 5.7. San Diego Neighborhoods & Percentage Counts of Overall Businesses

<table>
<thead>
<tr>
<th>Neighborhood</th>
<th>Dining Establishments</th>
<th>Non-Dining Businesses</th>
<th>Dining Businesses as % of the Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petco Park Vicinity</td>
<td>86</td>
<td>234</td>
<td>26.88%</td>
</tr>
<tr>
<td>Pechanga Arena Vicinity</td>
<td>16</td>
<td>75</td>
<td>17.58%</td>
</tr>
<tr>
<td>Torero Stadium Vicinity</td>
<td>2</td>
<td>15</td>
<td>11.76%</td>
</tr>
<tr>
<td>Balboa Stadium Vicinity</td>
<td>8</td>
<td>78</td>
<td>9.30%</td>
</tr>
<tr>
<td>The City of San Diego</td>
<td>3,986</td>
<td>45,184</td>
<td>8.11%</td>
</tr>
</tbody>
</table>
This is primarily due to their locations and other types of anchors available in the suburbia. Presuming that automobile-oriented development may not have anchors and/or that it does not attract anchors of development is fundamentally wrong. However, in the case of the City of San Diego, there is a strong shift of favorability of locations for dining businesses, and that is not near a suburban arena or stadium. Vicinities of such stadia in a car-oriented suburban or highway pattern of development do not allow people to travel on foot or by public transportation to get to their next destination. Most likely, even if located on the same highway, people will not leave their vehicles and instead drive. This increases the chance that all wants will be catered to appropriately, as all customers are free to travel to whichever restaurant they want, contingent on the fact that they possess a personal vehicle. At the same time, urban food service establishments have to rely on the proximity of larger entertainment venues somewhat, as recreational pastimes in downtown areas are often combined.

To validate the claims that have stemmed from surface industrial analysis, this research continues to the diversity indexation. Diversity of the industry, or the population, depends on the number of classes of entities, as well as their size, but does not include any of the spatial metrics. Since there is a need to evaluate the whole industry, such analysis is conducted at the population level and later broken down into preassigned sample sizes to track abnormalities and phenomena exhibited by individual neighborhoods. The types of businesses used will be broken down into NAICS codes, as the San Diego County data warehouse provides valuable insights into the types of occupations of individual enterprises. Even though there is a degree to which data is not fully reliable and may include several entries that are not as well-positioned by category, as
demonstrated by the process of dining and non-dining establishment separation, there is not that high of a probability of error in each individual entry. This helps project the most recent available data into indexes to be later used for comparison of urban and suburban stadium vicinities. Figure 5.9 depicts the formula used for diversity analysis of the businesses of San Diego.

Figure 5.9. Diversity Index Formula

\[ DI = \frac{N \times (N-1)}{\sum x \times (x-1)} \]

In the formula above, \( N \) stands for the number of entities in a certain class. Applied to the specific circumstances of business-level diversity within the industry, \( N \) is a number of businesses in a class or a sector of the economy. The other half of the formula includes lower-case \( x \), which is a number of entities in a sector. The sum of all entities in all sectors of the economy form the population, which reflects how many total enterprises can be allocated into classes. Diversity index ranges from 0 to 1, with 1 being the absolute diversity, and values approaching 0 are indicative of almost total homogeneity of the entire population. Usually, this is a condition where one sector is present, and the population has a low number of entities represented.

Only the four stadium neighborhoods are used in diversity index calculation for particular reasons. First, there is not a high level of necessity to project diversity of businesses for the three overlay zones in close proximity to Petco Park, since they are targeted only tangentially and have one thing in common – influence and commensal benefits of Petco Park. Being a past anchor of development and one of the newest existing parts of the urban tradition of San
Diego, Petco Park is an inspirational story. Although there are no direct comparisons to this stadium within the city, it tells a story of success, since it is implied that Petco Park has absorbed all of the attention of sports fans, media, and downtown developers and investors in just 15 years. This is exactly why results for the diversity index calculations across just the four stadia are conducted to show how much Petco Park is different and unique. The same could be said about virtually any major league urban stadium, and since this is a case study of San Diego, this research is particularly interested in how a one-major-league-team city acts to highlight its strength in relatively well-managed positioning and still provides some level of business diversity around its less visited suburban stadia while figuring out the best course of action for future anchor-based strategies. The calculations of the diversity indexes for the four stadium neighborhoods and their relative magnitude are included in Figure 5.10.

*Figure 5.10. Diversity Index of Businesses by San Diego Neighborhoods*
Figure 5.10 indicates that despite the relative diversity that Petco Park Vicinity demonstrates, it is low on an index scale, which goes from 0 to 1. This is a favorable condition, since having a high level of diversity in an urban area, especially in the vicinity of an urban anchor, would defeat the purpose of an entertainment district and the entire strategy of revitalization. Still, the diversity of businesses in the aforementioned neighborhood is strong for a special-purpose area of the Downtown. Pechanga Arena Vicinity, for example, does not demonstrate that high of a level of diversity primarily due to its location away from the center city: highway-anchored development only provides limited opportunity for a high variety in business types. Moreover, Petco Park has brought favorable economic impacts, and some pioneer businesses from the initial revitalization process may have attracted other complementary businesses into the area.

Revisiting the concept of Kernel density mapping, the analysis shifts towards portraying the entire industry and its spread. When merging the two prior maps in Figure 5.11, it can be seen that the clusters of business activity remain mostly unchanged. When zooming onto the map, it can be seen that major routes and highways have an impact on the alignment of business activity, but not necessarily its spread. Also, when observing how well-spread businesses are in the residential parts of San Diego, the research can argue that there is a tendency for suburbs to have shopping malls or strips of land dedicated to commercial purposes, and this is exactly what the map below is exhibiting. Precisely, the East Village Promise Zone has a very low count of overall businesses. The Downtown itself serves as a retail anchor for the rest of the community while having anchors of sustainable development for urban fabric.
Individual business zones are then compared and contrasted in order to locate which of the three has a stronger and tighter influence on Petco Park as a reciprocal of the anchor push towards healthy economic conditions. Tables 5.8.1, 5.8.2, and 5.9 are included below one after the other to demonstrate differences and highlight any of the potential standout observations, and the complex of data description comes later in the next paragraph. These three tables are not connected together due to a very particular reason: data around one particular overlay zone should be emphasized as opposed to making judgements about all areas at once. After all, the relative areas and counts of businesses for these constituent overlay zones vary. Food services and drinking places are separated from other accommodation facilities based on NAICS codes, as the original category 72 specification fits neither the spirit nor the purpose of this research.
### Table 5.8.1. Percentage Counts of Specific Businesses in San Diego’s Gaslamp Quarter Business Improvement District (BID)

<table>
<thead>
<tr>
<th>NAICS Codes Sector / Subsector</th>
<th>NAICS Description</th>
<th>Percentage of All Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>44–45</td>
<td>Retail Trade</td>
<td>23.40%</td>
</tr>
<tr>
<td>51</td>
<td>Information</td>
<td>0.99%</td>
</tr>
<tr>
<td>52</td>
<td>Finance &amp; Insurance</td>
<td>5.91%</td>
</tr>
<tr>
<td>53</td>
<td>Real Estate and Rental &amp; Leasing</td>
<td>0.49%</td>
</tr>
<tr>
<td>721</td>
<td>Accommodation</td>
<td>21.18%</td>
</tr>
<tr>
<td>722</td>
<td>Food Services and Drinking Places</td>
<td>27.83%</td>
</tr>
<tr>
<td>81</td>
<td>Other Services</td>
<td>2.96%</td>
</tr>
<tr>
<td>N/A</td>
<td>All Other Businesses</td>
<td>17.24%</td>
</tr>
</tbody>
</table>

### Table 5.8.2. Percentage Counts of Specific Businesses in San Diego’s East Village Business Improvement District (BID)

<table>
<thead>
<tr>
<th>NAICS Codes Sector / Subsector</th>
<th>NAICS Description</th>
<th>Percentage of All Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>44–45</td>
<td>Retail Trade</td>
<td>26.67%</td>
</tr>
<tr>
<td>51</td>
<td>Information</td>
<td>2.75%</td>
</tr>
<tr>
<td>52</td>
<td>Finance &amp; Insurance</td>
<td>8.24%</td>
</tr>
<tr>
<td>53</td>
<td>Real Estate and Rental &amp; Leasing</td>
<td>6.86%</td>
</tr>
<tr>
<td>721</td>
<td>Accommodation</td>
<td>2.94%</td>
</tr>
<tr>
<td>722</td>
<td>Food Services and Drinking Places</td>
<td>19.80%</td>
</tr>
<tr>
<td>81</td>
<td>Other Services</td>
<td>3.33%</td>
</tr>
<tr>
<td>N/A</td>
<td>All Other Businesses</td>
<td>29.41%</td>
</tr>
</tbody>
</table>
Table 5.9. Percentage Counts of Specific Businesses in San Diego’s Revolving Loan Zone

<table>
<thead>
<tr>
<th>NAICS Codes Sector/Subsector</th>
<th>NAICS Description</th>
<th>Percentage of All Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>44–45 Retail Trade</td>
<td></td>
<td>16.86%</td>
</tr>
<tr>
<td>51 Information</td>
<td></td>
<td>2.70%</td>
</tr>
<tr>
<td>52 Finance &amp; Insurance</td>
<td></td>
<td>15.51%</td>
</tr>
<tr>
<td>53 Real Estate and Rental &amp; Leasing</td>
<td></td>
<td>3.88%</td>
</tr>
<tr>
<td>721 Accommodation</td>
<td></td>
<td>5.06%</td>
</tr>
<tr>
<td>722 Food Services and Drinking Places</td>
<td></td>
<td>21.08%</td>
</tr>
<tr>
<td>81 Other Services</td>
<td></td>
<td>0.67%</td>
</tr>
<tr>
<td>N/A All Other Businesses</td>
<td></td>
<td>34.23%</td>
</tr>
</tbody>
</table>

The individual categories that have higher portion of small businesses amongst them were highlighted, as columns [2] of the tables above include Retail Trade, Information, Finance & Insurance, Real Estate and Rental & Leasing, Accommodation, Food Services and Drinking Places – the target category, Other Services, and All Other Businesses – to represent all other NAICS categories, except for public administration. The main strengths that East Village Business Improvement District presents are the selective clearance of accommodation facilities like hotels and a relatively high percentage of retail trade enterprises, while the weaknesses it poses are related to virtually no real estate businesses or financial institutions. Something relatively opposite can be said about the Revolving Loan Zone, judging by Table 5.9. Financial institutions and accommodation businesses are scarce in the Revolving Loan Zone, whereas there is a high concentration of eating and drinking places. Gaslamp Quarter Business Improvement District is somewhat unique in many ways, as demonstrated by
earlier research. Some of the data points that confirm this notion are low percentages of small businesses except for dining establishments and retail trade stores and the abundance of hotels. Yet, this overlay zone falls short of meeting the standard for the diversity of businesses and heavily focuses on its restaurant scene due to historical and cultural reasons.

The best part about Petco Park’s close proximity to all three overlay zones is that its customers can visit a greater array of satellite businesses in the process of getting to a game. What is more important, such a well-planned facility as the Park in the Park enables the stadium to attract customers who are not willing to stay for the full game and pay the full gate receipt price. In such an example, people shopping in a nearby business, can accidentally wander in and watch a few innings of a baseball game for as low as $10. There are numerous premises that indicate that Petco Park will continue interacting with the outside environment, as it provides something none of the other entertainment venues can – a ‘Big League’ city feel.

This section of exploratory research concludes with the exploration of annual assessments two key San Diego business improvement districts, as well as the Revolving Loan Zone, provide to the tax base of the city. The tax assessor’s office at the City of San Diego uploads statistics for the predicted annual assessments of each of the overlay zones that benefit businesses. Since this is a publicly available and official piece of information, it has to be trustworthy and accurate. The summaries of ratios of estimated annual assessments to the number of businesses comprised inside the three key overlays are portrayed in Figure 5.12. The exhibit also shows the total estimated amount in annual assessments, specifically fit to reflect relative differences between proportions.
Figure 5.12. Ratios of San Diego Businesses to Estimated Annual Assessments of Gaslamp Quarter and East Village Business Improvement Districts (BID’s) and the Revolving Loan Zone

* fit to scale

As it can be inferred, per-business average annual assessments across the three geographies are not proportional to the total estimated assessments. East Village Business Improvement District assesses its businesses at the highest rates while generating the second-most amount at $140,000. Relatively, estimated assessment dollar amount of the Gaslamp Quarter Business Improvement District is the lowest of the three zones. This may be indicative of the high level of support for the restaurant industry, which is not an indicator of a healthy economy or a healthy sector. Usually, lower tax assessment can be based on incubator zones, but not on those zones that demonstrate continuous growth and high levels of variety of various businesses. The entertainment and dining heart of the Downtown may, in fact, attribute some of its success to a lower tax rate.
Sub-Categorical Analysis

The third and last section that is concerned with analysis is the sub-categorical analysis section. In this section, the research zooms even further with precise techniques to calculate diversity of dining establishments in the City of San Diego, as well as the three overlay zones and four neighborhoods that have anchor stadia. Observations are then compared and contrasted for the units of analysis to draw conclusions that will help answer research questions in Chapter 6. This part of research commences with a closer look at the diversity of types of restaurants in San Diego. Not to be confused with restaurant cuisines, restaurant type is the style and business model an establishment operates under. Five categories that best reflect the state of San Diego’s restaurant scene are chosen to represent the entire population. The four specific categories that were assigned during the data refinement phase of this research were ‘Full-Service Traditional Restaurants’ – to include any of the dining establishments having a regular sit-in area and waiting staff; ‘Full-Service Coffeeshops and Bakeries’ – for establishments oriented towards to-go and drink-in caffeine infused drinks and light snacks; ‘Full-Service Fast Food Restaurants’ – for restaurants, usually chain, that offer the opportunity to order food through a pick-up window, as well as to eat inside in some limited fashion; and ‘Full-Service Drinking Places’ – to account for cocktail bars, pubs, wine bars, and sport bars. Due to this being a population-level analysis, all of the dining establishments that did not fit the four main categories were allocated to the fifth one, named ‘Other (Including Limited Service Restaurants.’ Food carts and pop-up food vendors were also enclosed in this category, since they can experience influxes of customers on event days around professional sports facilities, as well as are partially responsible for
providing a sense of place for the larger community. The percentage distribution of the five categories of types of dining establishments (NAICS code 722) is reflected below in Figure 5.13.

Figure 5.13. Dining Establishment Diversity by Type in San Diego

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-Service Traditional Restaurants</td>
<td>51.4%</td>
</tr>
<tr>
<td>Full-Service Coffeeshops &amp; Bakeries</td>
<td>14.3%</td>
</tr>
<tr>
<td>Other (Including Limited Service Restaurants)</td>
<td>13.3%</td>
</tr>
<tr>
<td>Full-Service Fast Food Restaurants</td>
<td>12.5%</td>
</tr>
<tr>
<td>Full-Service Drinking Places</td>
<td>8.5%</td>
</tr>
</tbody>
</table>

% of the Total Number of Food Service & Drinking Establishments

Full-service traditional restaurants, where customers can enjoy sit-in and waiter services, constitute more than half of all San Diego food service establishments. This indicates that the community has a relatively high class, and that there is a culture of going to restaurants. In observing data like that in Figure 5.13, it is important to err on the side of assuming demand is met by supply, not the other way around. Businesses and corporate strategists easily figure out a way to meet demand, whereas the city, specifically its planning department, regulates supply through democratic and participatory processes like board meetings and business permitting. The next three categories of dining establishments are coffeeshops and bakeries, fast food restaurants, and other categories of food service places, inclusive of the limited-service restaurants. Each of these three categories ranged from 12.5% to 14.25% of the market share in
San Diego. Lastly, drinking places like bars and pubs constitute 8.54% of the overall number of food service place under NAICS category 722 in the city.

To get a closer look at the three overlay zones and the three neighborhoods used for measuring relative success of the Petco Park Vicinity, data about categories of food service establishments was divided based on spatial criteria. Summarized by Table 5.10, San Diego establishments sorted by major categories and by overlay zone or neighborhood tell a story about where particular restaurant groups may be located. For instance, the lowest concentration of full-service fast food places in is the Gaslamp Quarter BID.

*Table 5.10. San Diego Dining Establishments by Major Categories*

<table>
<thead>
<tr>
<th>Overlay Zone or Neighborhood</th>
<th>% of Establishments, by Major Category Types</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Village Business Improvement District</td>
<td>38.61%</td>
</tr>
<tr>
<td>Gaslamp Quarter Business Improvement District</td>
<td>54.87%</td>
</tr>
<tr>
<td>Revolving Loan Zone</td>
<td>45.60%</td>
</tr>
<tr>
<td>Petco Park Vicinity</td>
<td>44.18%</td>
</tr>
<tr>
<td>Pechanga Arena Vicinity</td>
<td>12.09%</td>
</tr>
<tr>
<td>Torero Stadium Vicinity</td>
<td>50.00%</td>
</tr>
<tr>
<td>Balboa Stadium Vicinity</td>
<td>0.00%</td>
</tr>
<tr>
<td>The City of San Diego</td>
<td>51.38%</td>
</tr>
</tbody>
</table>
More importantly, Gaslamp Quarter Business Improvement District also has the highest proportion of full-service traditional restaurants. The combination of these two factors speaks for the pattern of urban development and a high concentration of upscale restaurants in the Gaslamp Quarter. Historically, such a level of clustering has been a confirmed cultural phenomenon: restaurant districts are another tool in the toolkit of anchorless strategies that planners have for neighborhood revitalization. The invisible hand of the economy also cannot be disregarded: most of the observations from Table 5.10 are somewhat predicted by the demand a certain area may introduce. For instance, highway-style projects with a variety of fast-food places like the ones at the Pechanga Area Vicinity have constituted more than half of that neighborhood’s restaurants. East Village Business Improvement District, located closer to the business center of San Diego than any of the other neighborhoods or overlay zones, has an overwhelming share of coffee shops and bakeries at 37.62%. Knowing San Diego and its constituent business characteristics, it would be obvious for local planning practitioners to quickly assess the situation with rough estimates of proportions. However, statistical analysis can offer increased levels of quick understanding of how a community is faring to outsiders.

Something else that can be inferred from the table above is the small number of dining establishments that both Torero Stadium Vicinity and Balboa Stadium Vicinity have at the counts of 2 and 8, respectively. For the benefit of future analysis, these will be kept in the sub-categorical analysis and research, however, it is already discovered that Petco Park is the only true magnet of urban-style development, while Pechanga Arena is located on a commercial strip close to many state and county highways.
The next category of sub-categorical analysis that has to deal with restaurant cuisine type diversity has to be prefaced. The categories chosen to encompass all of the San Diego food service and drinking establishments are arbitrary, but with limited outside information, this can be considered the best estimate of cuisine spread in the city. Hence, a +/- 0.5% margin of error is introduced for data in Figure 5.14. The categories chosen, as it can be observed, were the following cuisines: Asian, American, Italian, Mexican / Latin American, and Assorted Specialty Cuisines.

Figure 5.14. Restaurant Cuisine Type Diversity in San Diego

<table>
<thead>
<tr>
<th>Cuisine Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assorted Specialty Cuisines</td>
<td>34.3%</td>
</tr>
<tr>
<td>American</td>
<td>26.0%</td>
</tr>
<tr>
<td>Assorted Asian</td>
<td>16.2%</td>
</tr>
<tr>
<td>Mexican / Latin American</td>
<td>13.6%</td>
</tr>
<tr>
<td>Italian</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

Asian cuisine restaurants include Chinese, Japanese, Thai, Indian, Vietnamese, Korean, Pan-Asian, and other restaurants that include traditional dishes routing in major cuisine branches of the Asian continent. American restaurants encompass both traditional American and New American cuisines, which can be best defined by foods from various regions of the United States (i.e. Hawaiian grill, Louisiana kitchen, etc.) and all-American staples like burgers.
Italian restaurants are those serving dishes from various regions of Italy, including pizza and pasta. Also, this category accounts for restaurants that are specifically labeled as ‘Italian’ on their websites or descriptions on various search engines. Mexican and Latin American cuisines are two distinct branches of cuisines, but for the purpose of simplification of endless categories, they were grouped, although at the initial level of analysis was separating the two. Mexican cuisine includes dishes coming directly from the country of Mexico, whereas Latin American cuisine is the compilation of traditional cuisines of the countries of South and Central America. All of the other diverse cuisines represented in the restaurant sector of San Diego had to be combined into one category, Assorted Specialty Cuisines, as none of the elements in this one larger category amassed 5% of the total count.

As for the observations, over a quarter of all food service establishments are projected to serve variations of American cuisine. This includes breakfast places and most fast food restaurants, which boosts the overall percentage across the board. The proximity to the US-Mexican border makes it a cultural norm to have over one-eighth of restaurants to serve dishes of Mexican cuisine, and the category is also influenced by several Latin American restaurants, even though there are not many of them. Asian cuisine has a well-established prominence in San Diego with 16.19% of all food service establishments serving dishes of various cuisines of the continent. It has to be mentioned that Japanese and Vietnamese cuisines are especially widespread, although no demographic data is there to support that populations of people with Japanese and Vietnamese roots/origins are elevated compared to state and country-wide levels. Italian cuisines, widely popular across the United States, is also fairly well-represented,
accounting for almost one-tenth of all San Diego restaurants. Partially, this is due to a relatively high number of delivery-specializing pizza chains like Domino’s and Papa John’s. All other cuisines comprise another one-third of the restaurant scene in San Diego. Hence, it can be argued that there is a high level of intra-level diversity within the food service sector. As stated earlier, data on specific cuisines within the ‘specialty’ category is so fragmented that none of the cuisines amasses even 5% of the overall count of restaurants.

Magnifying cuisine diversity to the particular overlay zones and neighborhoods, some of the ways in which communities are culturally distinct can be observed. As reflected in Table 5.11, Petco Park Vicinity has a great representation of American cuisine nearby – almost half of the restaurants located near the ballpark serve American staples. Petco Park Vicinity is not the most equally diverse district of restaurants by cuisines. This title belongs to the Gaslamp Quarter Business Improvement District, which was predictable due to its vibrancy and frequent citing as the area with one of the highest concentrations of fine dining in the City of San Diego. The margin of such a diversity gap compared to other vicinities is something that could not have been predicted without the sub-categorical analysis. Among overlay zones in the Downtown, Gaslamp Quarter BID is the most diverse area in terms of restaurant cuisines by approximately 2.5 times, while the share of traditional American restaurants is less than one-fifth of the total 113 restaurants. Additionally, Gaslamp Quarter BID is the least representative of the Mexican cultural influence – only 7.08% of its restaurants can be regarded as Mexican/Latin American.

In terms of neighborhoods, Pechanga Arena Vicinity shows a greater diversity of cuisines than Petco Park, which is somewhat surprising. Primarily,
this is due to the unfavorable location the Pechanga Arena has in terms of attracting a wide variety of types of commercial businesses. On the one hand, the area around Petco Park is not very diverse at all, as one category accounts for almost half of the entries. However, the skew is largely due to the number of bars and other drinking establishments near the stadium. Being part of the culture of watching sports, these usually serve snacks from the ‘Greater American cookbook,’ burgers, fries, chicken wings, jalapeño poppers are all frequent menu items in restaurants next to a major league stadium.

Table 5.11. San Diego Dining Establishments by Cuisine Type

<table>
<thead>
<tr>
<th>Overlay Zone or Neighborhood</th>
<th>American</th>
<th>Asian</th>
<th>Italian</th>
<th>Mexican/Latin American</th>
<th>Assorted Specialty Cuisines</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Village Business Improvement District</td>
<td>22.77%</td>
<td>13.86%</td>
<td>15.84%</td>
<td>28.71%</td>
<td>18.81%</td>
</tr>
<tr>
<td>Gaslamp Quarter Business Improvement District</td>
<td>19.47%</td>
<td>8.85%</td>
<td>17.70%</td>
<td>7.08%</td>
<td>46.90%</td>
</tr>
<tr>
<td>Revolving Loan Zone</td>
<td>14.40%</td>
<td>11.20%</td>
<td>27.20%</td>
<td>28.80%</td>
<td>18.40%</td>
</tr>
<tr>
<td>Petco Park Vicinity</td>
<td>45.35%</td>
<td>11.63%</td>
<td>15.12%</td>
<td>19.77%</td>
<td>8.14%</td>
</tr>
<tr>
<td>Pechanga Arena Vicinity</td>
<td>20.89%</td>
<td>20.89%</td>
<td>6.59%</td>
<td>23.08%</td>
<td>28.57%</td>
</tr>
<tr>
<td>Torero Stadium Vicinity</td>
<td>100.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Balboa Stadium Vicinity</td>
<td>75.00%</td>
<td>0.00%</td>
<td>12.50%</td>
<td>12.50%</td>
<td>0.00%</td>
</tr>
<tr>
<td>The City of San Diego</td>
<td>25.96%</td>
<td>16.19%</td>
<td>9.96%</td>
<td>13.56%</td>
<td>34.33%</td>
</tr>
</tbody>
</table>

* The categories assigned were committed to upon a thorough investigation of each of the establishment’s official webpage, entry on Google Maps and Bing Maps, and on a series of assumptions made from official menus. The list may be limited, but it identifies general patterns with a +/- 0.5% as a margin of error.
The third dimension which provides helpful insight into the food service places in the City of San Diego is the diversity in ownership. It can be argued that local ownership is healthy for businesses, as there is no leakage of funds from the area. Something that is local stays local and promotes induced local spending. In return, the general area benefits from a more isolated system due to the development of local entrepreneurs and fair competition in the marketplace. While local owners can start their own businesses and turn restaurants into proprietary or family businesses, they also have the opportunity to interact with the well-established chain restaurants and become location or franchisee operators. This research will not get into possible motivations behind electing to go with franchise versus non-franchise option, but the two types of ownership will be clearly distinguished. The third category, as illustrated in Figure 5.15 below, will be corporate ownership, generally from outside of the city.

*Figure 5.15. Diversity of Dining Establishment Ownership in San Diego*

<table>
<thead>
<tr>
<th>Ownership Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Owner</td>
<td>41.9%</td>
</tr>
<tr>
<td>Local Franchise Owner</td>
<td>32.2%</td>
</tr>
<tr>
<td>Local Non-Franchise Owner</td>
<td>25.9%</td>
</tr>
</tbody>
</table>

% of the Total Number of Food Service & Drinking Establishments
In terms of its effect on economic health of the entire population, it is relatively beneficial to have a large number of local owners. Even though franchise ownership is less favorable than non-franchise, it still retains some of the profits within the region and induced spending. Over a quarter of all food service and drinking places being owned by non-franchise owners as of 2019 is very healthy and speaks of an unwavering commitment from San Diego to continue elevating and supporting its small businesses.

Table 5.12 breaks down the information on types of ownership into specific geographic units. The first thing that can be noticed is that the heart of all San Diego dining, Gaslamp Quarter BID, is leading in terms of locally owned establishments with a combined 92.04% of its restaurants and bars belonging to franchise and non-franchise owners. The highest percentage of franchises is observed in the East Village BID at 47.52% of its total number of dining places.

### Table 5.12. San Diego Dining Establishments by Ownership

<table>
<thead>
<tr>
<th>Overlay Zone or Neighborhood</th>
<th>Restaurants, by Types of Ownership</th>
<th>[1]</th>
<th>[2]</th>
<th>[3]</th>
<th>[4]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gaslamp Quarter Business Improvement District</td>
<td>Local Non-Franchise Owner</td>
<td>83.19%</td>
<td>8.85%</td>
<td>7.96%</td>
<td></td>
</tr>
<tr>
<td>Gaslamp Quarter Business Improvement District</td>
<td>Local Franchise Owner</td>
<td>12.87%</td>
<td>47.52%</td>
<td>39.60%</td>
<td></td>
</tr>
<tr>
<td>Revolving Loan Zone</td>
<td>Corporate Owner</td>
<td>16.00%</td>
<td>34.40%</td>
<td>49.60%</td>
<td></td>
</tr>
<tr>
<td>Petco Park Vicinity</td>
<td>Local Non-Franchise Owner</td>
<td>40.70%</td>
<td>18.60%</td>
<td>40.70%</td>
<td></td>
</tr>
<tr>
<td>Petco Park Vicinity</td>
<td>Local Franchise Owner</td>
<td>13.19%</td>
<td>47.25%</td>
<td>39.56%</td>
<td></td>
</tr>
<tr>
<td>Pechanga Arena Vicinity</td>
<td>Corporate Owner</td>
<td>100.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>Torero Stadium Vicinity</td>
<td>Local Non-Franchise Owner</td>
<td>50.00%</td>
<td>37.50%</td>
<td>12.50%</td>
<td></td>
</tr>
<tr>
<td>Balboa Stadium Vicinity</td>
<td>Local Franchise Owner</td>
<td>25.92%</td>
<td>32.19%</td>
<td>41.90%</td>
<td></td>
</tr>
<tr>
<td>The City of San Diego</td>
<td>Corporate Owner</td>
<td>25.92%</td>
<td>32.19%</td>
<td>41.90%</td>
<td></td>
</tr>
</tbody>
</table>
As far as Petco Park Vicinity is concerned, the target area has precisely the same number of locally owned dining establishments and corporately owned ones. For the health of the economy, it is very favorable to have the diversity of options. Moreover, there is a smaller discrepancy in levels of ownership compared to the city as a whole. The last element of sub-categorical analysis is chain attribution analysis. Even though there is no robust and diverse data in this dimension, having a visual representation of chain versus non-chain dining amenities can help visualize how San Diego is faring in terms of diversifying the names and brands of its restaurant scene. As Figure 5.16 denotes, the citywide split is about 58% to 42% in favor of non-chain establishments. This is a very healthy parameter of the industry, as it indicates not only the diversity of names of food service places, but also the diversity of food that is served across the municipality. In terms of random chance occurrence, there is a high probability that menus of two randomly picked restaurants in San Diego will not repeat.

*Figure 5.16. Dining Establishment Chain Attribution in San Diego*
When looking at overlay zones, referring to Table 5.13, it can be seen that there are large fluctuations in geographies that are closely located or even interconnected at times. First, East Village Business Improvement District and Revolving Loan Zone have very high percentages of chain attribution compared to the citywide average. On the other hand, the same measurement for Gaslamp Quarter Business Improvement District is significantly lower than the chain attribution for San Diego as a whole. These discrepancies do not affect economic health of the industry as much; thus, they may not affect how local chains really are. For instance, there were numerous chains identified throughout the research that are based within San Diego alone. Additionally, some restaurant chains with businesses only in California were identified. Some of the concepts exhibited in San Diego restaurants were found to have roots somewhere as distant as the East Coast of the United States.

Table 5.13. San Diego Dining Establishments by Chain Attribution

<table>
<thead>
<tr>
<th>Overlay Zone or Neighborhood</th>
<th>Chain/Non-Chain Attributor</th>
<th>Non-Chain Establishment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>[1]</td>
<td>[2]</td>
</tr>
<tr>
<td>East Village Business Improvement District</td>
<td>87.12%</td>
<td>12.88%</td>
</tr>
<tr>
<td>Gaslamp Quarter Business Improvement District</td>
<td>16.81%</td>
<td>83.19%</td>
</tr>
<tr>
<td>Revolving Loan Zone</td>
<td>84.00%</td>
<td>16.00%</td>
</tr>
<tr>
<td>Petco Park Vicinity</td>
<td>59.30%</td>
<td>40.70%</td>
</tr>
<tr>
<td>Pechanga Arena Vicinity</td>
<td>86.81%</td>
<td>13.19%</td>
</tr>
<tr>
<td>Torero Stadium Vicinity</td>
<td>0.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Balboa Stadium Vicinity</td>
<td>50.00%</td>
<td>50.00%</td>
</tr>
<tr>
<td>The City of San Diego</td>
<td>42.32%</td>
<td>57.68%</td>
</tr>
</tbody>
</table>
To conclude the sub-categorical research, it has to be said that there is no real causation that can be demonstrated from these four factors’ effect on economic health. Frequently, economic health can be confused with diversity alone, whereas diversity is only an element of health, as indicated in prior chapters focused on research design. There is no real measure of how well the economy is performing on a continuous basis, as there are only snapshots of economic productivity and stability. What can be concluded without any reservations is that Petco Park Vicinity is by no means an economically unhealthy community. There is no homogeneity identified throughout sub-categorical observations of the greater food service industry. San Diego’s Downtown is adapted to the demand for diverse businesses that modern urban environments call for. In the words of hypothesis testing, the original hypothesis was not proven, however, null hypothesis was disproven by the fact that there is a lot of diversity in the restaurant scene of San Diego and, particularly, the vicinity of Petco Park. Moreover, nearby East Village and Gaslamp Quarter Business Improvement Districts exhibit very high diversification measurements across all four categories of analysis in this section.

What is even more significant is that across all stages of research there are observations of a well-rounded downtown that has its culture reflected in its restaurants. Different places within San Diego’s urban core and beyond are all unique in their own ways. Having a multitude of diverse communities instead of several lookalikes is economically healthy. At the same time, the absence presence of differentiating factors would have most likely suffocated the Downtown by customer attrition. People value that different vicinities hosted by a downtown are unique and distinct in many different ways.
Contributing Factors

As it can be incurred from the research and analysis sections in this chapter, high economic health, otherwise referred to as success, is positively correlated with several according factors. As stated in the opening preface to this chapter, however, there are some metrics in place that were not be measured but were accounted for in the design of the research framework. Therefore, it has to be reiterated that by no means are the actions or non-actions of individual businesses accounted for due to the massive research this project poses. Simply put, the factors that contribute to the economic health of the industry described under this header are by no means absolute prognostications of economic health, they are rather forecasted and implied suppliers of opportunities for businesses in a larger context.

There is an indication that solidified districts of high commercial activity act as magnets for additional businesses due to high throughput capacities and the increased demand in dining establishments. Such districts, according to the conducted research, are Gaslamp Quarter Business Improvement District and the Revolving Loan Zone. The financial aspect is not taken into account, so each individual dining establishment was not reviewed in terms of its financial statistics like revenue and return on investment (ROI). Both the Gaslamp Quarter BID and the Revolving Loan Zone have one thing in common: they are located near Petco Park, a major urban entertainment anchor. There is also a part of the downtown where for the area of 4 by 2 blocks the two overlay zones actually intersect (Figure 5.2. accurately reflects this intersection.

Solidified districts of high commercial activity are all the signature commerce districts that are famous within the City of San Diego. Usually, these
are comprised of the central street and several extensions that stretch a couple of blocks away from the centerline. Proximity to such solidified districts is crucial to the success of Petco Park, for example, as this is the example of the anchor being somewhat dependent on the customer base of Gaslamp Quarter neighborhood for occasional gameday boosts in attendance. The urban environment prompts bigger and smaller businesses alike to establish bonds, and while it has not been analyzed, it could be beneficial to find out more about mutual discount programs and special offerings for exclusive clients. There is a high chance that San Diego Padres have helped integrate the ballpark into the city’s entertainment scene by committing to smaller partnerships with satellite enterprises.

Another factor contributing to the health of dining establishment industry that was uncovered during this research is the proximity of small businesses to development anchors & major routes, as well as the ability to commute via public transportation routes. There is a highly correlative relationship between the presence of automobile-oriented facilities and overall area success. Since Petco Park serves as the anchor but does not require full annexation of parking facilities even on gamedays, parking structures can be used by visitors into the downtown. Acting as interceptor parking facilities, garages and lots help manage automobile flow into the heart of the Downtown – the Gaslamp Quarter.

All of the conditions a major league facility provides are not necessarily available for stadia located further away from the downtown. The abundance of parking does not help in these cases, as fields of concrete are only functional on games days. Even then, they are utilized at most for a 50% capacity, and the former Qualcomm Stadium, now SDCCU Stadium, is a great example of such a facility in this case study. Having the capacity of over 70,000 seats, it does not
serve the tenants well. It is an example of an oversized stadium for today’s day and age. Due to its unattractive location away from the vibrant downtown, it cannot provide influx of customers to nearby highway businesses. Current tenants, although competing in relatively competitive leagues, do not play as many games as the San Diego Padres play in the Downtown facility. Thus, Petco Park remains a wise investment 15 years after the first pitch, as it still attracts people and helps support a growing fanbase of the primary tenant. The era of cookie-cutter stadia is long gone, as mentioned in the Literature Review, and it is evident that the model so popular in the 1960’s, when most of such stadia had been constructed across the United States, is succumbing to the new way of sports spectatorship. Just like that, SDCCU Stadium has been outrivaled by the idea of making a stadium more accessible to larger groups of people. Therefore, the proximity to highways and major routes still helps create ‘strip’ or sacrifice zone development with multitude of businesses, but they are in no way anchored by sports facilities nearby. On the contrary, sacrifice zones are created around interstate highways and major routes. Thus, a decision to make a stadium purely urban may not have been an easy one given all the municipal investment in the former Qualcomm Stadium in the 1960’s. Yet, the City of San Diego recognized the opportunity to achieve three goals with the same decision. The City was able to: a) bring the Padres to the downtown and retain the franchise in San Diego, b) provide a much-needed urban anchor for the southern part of the Downtown, and c) establish a year-round venue for outdoor concerts and shows. As soon as the opportunity presented itself, the administration capitalized, despite minor difficulties along the way.
Lastly, the contributing factor of the ability of businesses to reflect the city’s and the region’s cultural specifications is also vital for the economic health of the industry. As indicated in the Industrial & Sectoral Analysis section, San Diego has a wide array of dining establishments, and, for the most part, they are congregated around the same area spatially. As for the Sub-Categorical Analysis, it illustrates that the diversity of satellite businesses reflects the cuisines of ethnic groups of people who live in San Diego. With a close proximity to US-Mexican border (part of the City of San Diego is in fact adjacent to the border), the city embraces the culture of a nearby country, and this is the most representative example of a culture affecting the restaurant scene. In fact, the relationship between restaurant cuisine distribution and ethnic cultural diversity can be summarized by the ‘people for people’ relationship. In other words, business owners pick cuisines for their dining establishments by analyzing the demand factor, and then demand is pent up by the cultural significance of certain foods. Cultural specifications of a place or an entire region are reflected by the restaurant scene, and this is verified by this case study.
Chapter 6. Results & Synthesis

Observations & Elaborations

Dining establishments in San Diego, on average, are less clustered compared to non-dining establishments. This indicates the spatial concentration and accurate policies by the city administration to not dilute dining districts too much. Restaurants in general do not fit into the category of businesses necessary for life, or, in COVID-19 language, dining establishments are not essential businesses. Entertainment that they provide goes hand-in-hand with that provided by Petco Park, whether a concert or a baseball game is happening. On a nightly basis, an urban stadium like Petco Park also benefits from local transportation facilities like two parking amenities – a garage and a lot, and from the presence of public transportation nods that let commuters get to Petco Park to other parts of San Diego.

Dining establishments themselves are relatively diverse, although more diverse in some areas than others. Relative homogeneity of dining establishment types in the immediate vicinity of Petco Park can be explained by the sports culture. Drinking places and lounges dominate the scene, while there are also opportunities for attendees of Petco Park events to walk or commute to Gaslamp Quarter with a more diverse and vibrant restaurant scene. Non-dining businesses do not show a particular pattern of organization around any of the stadia in the research, including Petco Park. What seems to be the case is that non-dining businesses, being less concentrated, are dispersed along major route corridors. Additionally, non-dining businesses are more active in residential neighborhoods, based on spatial analysis.
Both dining and non-dining establishments are about equally present in the downtown, but more are concentrated in the Gaslamp Quarter Business Improvement District compared to East Village BID and the Revolving Loan Zone. However, the latter two, being in close proximity to Petco Park, are rich with other kinds of businesses, as demonstrated by the NAICS-based analysis of the industry. Overall, Petco Park is at a very favorable location. And even though it is not entirely clear from the first look whether it was inserted in a blooming vicinity or it fully organized the environment around itself, from the historic and policy perspectives, it is known that the whole project of revitalizing the edge of East Village came through Petco Park. It was able to achieve multiple benefits for the area, as well as kept the San Diego Padres pinned to the city.

Other stadia examined as part of the research are much smaller in capacity and do not have the industry size for professional sports hosted. Other stadia are also not urban, hence, cannot provide the level of opportunity that the Petco Park vicinity provides for businesses. By all means, this comparison is relevant only because sports stadia are opposed to sports stadia; there are very few dimensions that depict Petco Park and smaller facilities as similar. For example, surrounding businesses around Petco Park and the Downtown are catered towards a multitude of transportation modes – by foot, by car, by public transportation like bus or trolley. On the contrary, suburban stadia are only reachable by car and in rare instances by public transportation from nearby dining businesses. In general, Petco Park Vicinity has not shown significant signs of extreme economic health, although, it is the healthiest stadium neighborhood in San Diego by a wide margin across all categories tested.
Testing against Hypothesized Relationships

It was indeed verified through the process of multidimensional research that the initial plan to revitalize East Village has succeeded. Key element in the trifecta of anchors was Petco Park, which assisted not only in business attraction to the area, but broadened diversity, scope, and scale of the Downtown businesses. The health of the dining establishment sector is at a very high level as of 2019, judging by various factors like diversity of ownership, cuisines, and spatial positioning of restaurants. Conditions put forward by Petco Park were indeed favorable for a growing economy and sustainable revitalization through a large-scale intervention. Community character, however, came to East Village long before Petco Park. Gaslamp Quarter in the Downtown had already been regarded as the top-level entertainment and restaurant district for decades. Petco Park along with other revitalization anchors, such as the San Diego Central Library and the San Diego Convention Center, did become staples of the community, but neither of the three went as far as reshaping the community’s character. On the contrary, some of the community character was lost and undone perpetually by the gradual development of the westernmost side of East Village. San Diego yielding a more diverse restaurant scene may be an overstatement. Diversity of San Diego’s restaurant scene is not based solely on the success of Petco Park. All of the information does not negate the fact that Petco Park is one of the better examples of urban major league stadia built in the 21st century, both architecturally and planning-wise (Rosentraub, 2009). Yet, there is no clear connection between diversity and economic health of dining establishments, neither does Petco Park encourage diversity of businesses. Rather on the contrary, Petco Park distills the diversity indexes by dictating
development patterns in the immediate vicinity characterized by an increase in drinking establishments in the 0.2-mile radius from the facility.

The San Diego East Village Revitalization Plan has proven to be very successful in terms of adding to the entertainment scene of San Diego and retaining a moderately competitive Major League Baseball franchise. When compared to dining establishments in the vicinities of suburban professional and semi-professional stadia in San Diego, dining establishments in the downtown occurred to be more diverse indeed. As for the intra-categorical level of analysis, economic health of the restaurant industry in Downtown San Diego represented a wider range of cuisines, a higher number of non-chain attributor, and a smoothed curve of ownership types.

**Role of the Stadium**

In all its power and visionary capacity, Petco Park was not designed to be solely the anchor of economic advancement in the southern part of Downtown San Diego. The ballpark has also created a new multi-purpose assembly facility to host events that are not associated with the primary tenant. Almost two decades after the ground was broken for construction, Petco Park has been instilled into the everyday life of San Diego’s vibrant Gaslamp Quarter, which has reciprocally affected dining establishments in a positive way. Petco Park is the one and only true urban stadium in San Diego. Judging other stadia currently occupied by professional sports franchises in the city, most of them lack the capacity or the appealing kinds of sports (in some instances, both the capacity and the appealing sports). Baseball, labeled as ‘America’s pastime,’ is epitomic of the culture of sports spectatorship in the United States. This is exactly why there
is a casual relationship between the fanbase and the neighborhood surrounding Petco Park: going to a Padres game, for the most part, is not perceived as a special event, but rather a pastime. Baseball also offers the most opportunity out of all professional sports in the United States to see a game with a long schedule.

Specifically, the small business industry that has grown even more vibrant in the snapshot of 15 years after Petco Park was constructed, has to have much gratitude to the anchor for providing grounds for its accelerated enhancement. Since the incorporation of Petco Park in 2004, the area has seen the induced impact of gamedays and shows. Even though this was not specifically acquainted for in the research model, it can be stated with ease that the small businesses around Petco Park had the anchor to look up to when opening. By all means, the success of San Diego downtown as of 2019 is not attributable solely to a well-positioned ballpark. There have been efforts by small businesses to win the edge over their competition, and the policymakers have supported businesses in various ways by supplying overlay zones to target business growth and sustainable upbringing. Still, none of the extension of the Downtown further south would have been possible without Petco Park, as it filled the gap between San Diego Central Terminal and the Gaslamp Quarter. And even though on the map it still feels pretty distant, a giant anchor supplying the area with entertainment, jobs, and satellite businesses is crucial to a healthy economy.

As for the extension of the Downtown further south, Petco Park has also helped to achieve a new gateway access to the San Diego Bay marina. Even though there may be speculation about the successfulness of the marina revitalization, there is an opportunity to extend the downtown even further south to connect with the amazing amenity that water provides. Thus far, it is
not obvious from spatial analysis how the Convention Center blends in with the rest of the Downtown. Also, Harbor Drive with its trolley line acts as a natural separator for pedestrians and bicyclists to commute from the Downtown to the marina for recreational purposes. One of Petco Park’s entrances faces the marina and Harbor Drive, therefore, creating a more accessible approach to the stadium by simply installing some signs and crossings could do the ballpark a favor. By committing to such initiative, the city will receive an even stronger urban core without the trickery of the idea of urban sprawl.

While the Downtown is already full of entertaining options for rest and pastime without the inclusion of Petco Park under this umbrella, having a major league facility does put San Diego in the same category with other ‘Big League’ cities. Indeed, as indicated by the Case Study chapter, San Diego is proud of its central ballpark, and people enjoy coming to games. There are also ample complementary amenities that an urban ballpark has to offer by the virtue of being an anchor or revitalization. And while the commensalist relationship flourishes, Petco Park does not lose attendance in a year-over-year analysis. The only caveat to that is the data is only accessible for up to 2019 Major League Baseball season, since the 2020 season is being played without fans in attendance. For the past 15 years, there has been a positive response, rather an acceptance, of the Padres moving to Park Boulevard and the southern edge of the Downtown.

The fanbase in San Diego, although not as well-known, either for notoriety or numbers, has been relatively constant. Petco Park’s average attendance is roughly 67% of the stadium’s total capacity, which is relatively high for Major League Baseball. Part of the reason for the attendance figures is that San Diego Padres are the only major league franchise in all of the city. Getting ‘Big League’
entertainment in a not-so-major-league municipality can prove to be a secret to a highly devoted and loyal fanbase, as demonstrated by the years of success of Green Bay Packers, a National Football League franchise, out of a small community of Green Bay, WI. Every other aspect of major league entertainment, like satellite businesses, tasty and diverse cuisines, and functional transportation amenities like the trolley service and numerous parking lots and garages, makes San Diego feel like a ‘Big League’ community already. It is the icing on the cake to be able to add an actual franchise that keeps progressing year-over-year. Moreover, the stadium itself sure looks like a captivating space to spend a weekday evening or a weekend afternoon at. The Park at the Park extension, the successful repurposing of the historic Western Metal Supply Company building, and the hitter-friendly features of the ballpark’s aerodynamics enhance fan experience at Petco Park and contribute to the spillover effect in the rest of the Downtown. Businesses undoubtedly benefit from the uniqueness that Petco Park is able to provide, and in further research this claim will be evaluated in more scientific detail.

**Perceived Magnitude of Contributing Factors**

There is a number of reasons to estimate the magnitude of contributing factors introduced in the ultimate section of Chapter 5. Refining this research would require a higher degree of precision, thus, sorting through the level of impact various factors have on the economic health of the dining establishments is not only warranted but vital. Then, research will also be concerned with matriculating the policy recommendations to the larger planning field for review and inclusion into practices. It is not likely that the list of ‘Big League’ cities in
the United States will change any time soon, although the example of Las Vegas gaining two major league professional franchises – the National Football League Raiders and the National Hockey League Golden Knights – is encouraging. The quest for better markets is happening, and teams are evaluating alternatives on a constant basis. Furthermore, realization of best practices is almost crucial in the current business environment full of optimization techniques. Contributing factors briefed in the end of the previous chapter squeeze the bandwidth of creativity for organizing downtowns around entertainment or sports facilities. The way downtowns can differentiate themselves is through contributions to the local stadia’s success.

On a scale, the proximity of businesses to solidified districts of high commercial activity is the most important factor. Primarily, this is due to the natural clustering of businesses illustrated by the Moran’s I Indexation and the Average Nearest Neighbor Analysis. Inserting new businesses into areas that are already economically healthy can be challenging at first; this is why disruptive techniques can offer bigger rewards, as discussed further in the Conclusion chapter. Moreover, a lot of satellite development is complementary to each other. In a hypothetical situation, a person is not just going out to a restaurant on their day off but is also paying a visit to a local spa or hair salon and is shopping for groceries at a nearby mart. Again, the list of activities in the previous sentence is hypothetical, although it seems to be the pattern small businesses operate under – weekends and weekday nights are the busiest times across all service enterprises. And, for the most part, in the non-COVID era, the timetables of games for major sports have coincided with the desires of people to attend sporting events on weekends or weekend evenings. Games are usually
scheduled for the time the majority of the customer base can be present at a stadium or a ballpark.

The ability to reflect the larger contextual cultural preferences comes next on the list in terms of magnitude of importance due to its relative vagueness. Cultural preferences constantly shift in communities together with populations that form the cultural framework. In- and out-migration, as well as net new births and deaths, shape the population size, however, relative proportions of ethnic backgrounds of the population also have to be accounted for. Culturally, however, baseball has to have an appeal in a community, just like any other sport would. Creating a fanbase from ground zero is a tough task, although there is one recent example of Las Vegas establishing some ‘honeymoon’ effect loyalty from the Golden Knights fans. Still, much of it is based on results that the team has shown on the ice, and that is the primary (and the only one, actually) thing that sport managers cannot control.

Finally, there is a low-to-medium impact of the proximity major routes. Specified earlier in Chapter 5, this concept does not provide definitive prescription for a suburban or a remote stadium to not be able to thrive. There are numerous examples of automobile-oriented stadia that have been successful in attracting customers. However, in the case study of San Diego, there is not enough evidence to claim that local suburban stadia have been successful in becoming anchors of development. Usually, as it can be seen in the example of Torero Stadium, smaller-scale minor league facilities are engraved into the design of ‘strips’ or sacrifice zones altogether. To put it differently, there is a very low chance that a suburban stadium is not included in the list of satellites rather
than the list of anchors, as a highway is an anchor on its own for a purposefully designed sacrifice zone in automobile-oriented settings.
Chapter 7. Conclusion

**Policy Recommendations**

The first and the most crucial policy recommendation for further advancement of the family of anchor development strategies is to revamp the existing model. Adapting the best practices out of San Diego’s playbook is not only desired but required in this case. For the majority of the existence of planning in the United States, it has been a common misconception that one anchor of development can organize a whole entire municipality around it. Many neighborhoods and even small towns have been based around lone facilities, such as factories (Rast, 2009). Such a strategy was injected into the planning strategies for entertainment districts, and it was not until the re-urbanization of sports stadia that planning staff started to get creative to restore the allure of downtown sports facilities among the general population. On the brink of the 20th and the 21st centuries, San Diego came up with what is perceived as a successful plan of reorganizing the initial idea. As described throughout the research, although not measured and rationalized by the magnitude of impact, the city went to revitalize East Village with three anchors of development. San Diego turned away from the old and easy route of proceeding with one anchor. Instead, three diverse anchors were designed to draw the appeal of as many city dwellers and visitors as possible.

By engaging in this approach based on triangulation to remodeling the Downtown through a trifecta of positive impact influencers, San Diego was able to achieve fuller health in its downtown compared to suburban or transit zones. The framework that San Diego stepped away from can be observed in Figure 7.1.
Still, San Diego has not fully abandoned the idea of scaling down the anchors of urban development to yield a richer economic fruition. Petco Park, for instance, is a full-size Major League Baseball stadium, with a capacity of about 42.5 thousand seats. Then, the Convention Center’s size is also enormous, and while it hosts multiple exhibits, conferences, and special events throughout the year, it is not scaled back from a full-size exhibition or convention venue. A model of a revised anchor development strategy is included below in Figure 7.2. This modeling specifically pushes for independency of small businesses within the larger economy. It also emphasizes the benefit of having multiple smaller anchors of development in a single area or vicinity rather than singular points of business gravity in different parts of town. This strategy is especially viable in the Northeast region of the United States, where urban agglomerations cannot expand by building outwards, not upwards. Still, it would be beneficial for bigger cities in other parts of the country to revise their anchor strategies, as controlling for the size of anchors may prevent urban spread.
In areas without revitalization anchors, the policy of creating business incubators to support the sustainable transition of the economy has to be adapted. The best practice would still be a set of revitalization anchors, though smaller in scale, as shown in Figure 7.2. The two practices can be combined to achieve more favorable results, as demonstrated by San Diego’s Revolving Loan Zone (RLZ). Scaling down the achievements of San Diego and transferring them to a more generalizable state is another policy suggestion. This would allow for a wider toolkit available to planners in smaller-sized communities, as even minor league stadia can attract crowds and act as anchors of redevelopment.

In terms of attracting new businesses, the next policy recommendation is mostly applicable to bigger cities like San Diego. As outlined in the literature review, the most recent trend exhibited in the realm of satellite economic development has been the transition of ownership to the major stakeholders of the stadium or the entertainment venue. A lack of strong policy creates a lopsided relationship between the municipality and the control person or group; it is no longer economically healthy to have a fully revitalized downtown in which the public only plays a minor role. Such a policy certainly provides new jobs, and investors in the area are taking some risks under the public-private partnership endeavors. However, exposing the area to oligopolistic control of key amenities by the virtue of being late to introduce necessary policies is not appropriate. Businesses have to be protected from big money coming into the town, as small locally owned businesses are the backbone of healthy downtowns. This is when an economic tool of imposing a maximum cap on ownership of surrounding businesses comes in handy. As illustrated in Figure 7.3, a cap still allows for a large portion of businesses to be owned by corporations and outside
investors. Without the cap and via the introduction of an entertainment anchor, the area swaps local ownership for corporate ownership over time. It is a slow but steady process, as reflected by multiple communities and described in depth by multiple researchers (Rosentraub, 2014; Long, 2013). By imposing a cap, ownership distribution may actually revert to stabilizing in a good mix of locally owned businesses, franchises, and corporate extensions. Without the cap, a community risks to lose its vibrancy and sense of place.

Figure 7.3. Implications of Cap Policy on Business Ownership by Development Anchors

Based on the research, it seems like an unnecessary glorification of sports facilities may have occurred by the virtue of placing Petco Park as a leader anchor in the trio with the Convention Center and the Central Library. It is totally up to a community to decide whether to proceed with a ‘Big League’ status, so brightly described by Siegfried & Zimbalist in their 2006 work. Should a municipality proceed with utilizing their power to attract a major league team or retain a franchise by constructing a new facility, a lot has to be taken into
account. First, as portrayed by San Diego’s example, there is a large number of outdoor concerts happening at Petco Park throughout the year. Having a large venue that is only occupied by the primary tenant for a particular season is beneficial, since other entertainment events can be scheduled at the same arena. In all cases, a stadium should be considered as a form for investment into mega-events. Californian climate allows for year-round event booking at Petco Park, but some places with large-capacity sports stadia are not as mild in their winter seasons. In Minneapolis, for instance, an open-air baseball stadium, Target Field, is warranted because of a downtown state-of-the-art football stadium in the face of US Bank Stadium. In Milwaukee, Miller Park, the home of the Major League Baseball Brewers, is supplemented by an indoor Fiserv Forum, which provides indoor entertainment year-round. But in the case of San Diego, which has recently become a one-league city with the departure of the National Football League Chargers, more emphasis has to be put on policymaking around communities having just one major league stadium.

**Further Research Opportunities**

In further research, the topic of economic health and sports stadia as urban anchors of development can be taken many different routes. The aim is for the current research to undergo a metamorphosis into a taxonomic study of ‘Big League’ cities around the United States. While it can be based mostly around case studies and avoidance of direct comparisons, it can create a clearer vision of what major cities in the county were able to achieve with the help of sports anchors. Learning the differences and applying them to future development would be crucial in creating the sense of belonging to an area without repeating
past errors and multiplying past strengths. By emphasizing how each of the communities in the taxonomic study conducted their revitalization with the help of sport stadia anchors, further research will suggest better policy addendums and verify some of the disruptive techniques in order to generalize the approach with which each stadium is looked at.

The concept of sports stadia placement will always have a strong juxtaposition and correlation with sports districts and the general surroundings. Since a lot of the studies on the nature and the economic environment of sports districts have been conducted over the two decades of the 21st century, there is a strong and reliable base of knowledge in the niche. Yet, there seems to be an opportunity to further expand on the notion of what sports districts mean for planning practitioners in larger metropolitan areas. The fields of sport management and planning are much better integrated on the academic level as opposed to the practical implications. While this research illustrates a case study and all of the long-term externalities of creating a sports district in the urban core, it does not, for various reasons, account for any predictive analytics in terms of whether or not a stadium will be successful. With future availabilities to study sports districts on the examples of newly built stadia, the academic community can try out new methods in calculating probabilities of ‘boom or bust.’ Sports districts are designed with very practical implications in mind; yet, they also present psychological connection and impact on fandom in the area. As described earlier in this paper, there is a high level of psychic attraction to not just the stadium, but the larger districts with all of its signature businesses. Multiple research works have been written on fandom and its economic impact, however, planning has not been concerned with it too much, as it has mainly
been observing the levers of sustainable and long-term revitalization. Marrying the two fields of research could be a worthwhile exploration that could provide more insight on psyche behind entertainment district anchors, such as casinos and racetracks, as well.

This research has not made any of the comparisons outside of the target community, as all of the control areas to the downtown were from within San Diego municipal boundaries. In an ideal situation, a case study should provide comparisons with outer communities with similar infrastructural patterns, population density, and, certainly, a sports stadium present as an anchor of development. Perfect target communities are somewhat difficult to find due to geographic, econometric, and demographic differences and uniqueness every ‘Big League’ city presents. Taking into account population sizes, overall acreage of the downtown, among other factors, will help blend this research together with more scientifically rigorous patterns. As for the economic externalities of areas with extremely incompatible infrastructural patterns, such are explained in detail in the ‘Greater Implications for Urban Planning’ section.

This research was specifically focused on the restaurant sector (or dining establishments) of the larger small business industry. The same or a similar progression of research can be applied to the satellites that are other than dining establishments, but not less important for the formation of an economically healthy and lively downtown. Such businesses can be hotels or concert clubs and venues. Anchors in such instances may change, but the effects and the suggested policy framework of their transformation towards a self-sustaining part of the larger industry will remain. Expanding the knowledge about anchor facilities as drivers of economic success of certain areas and helping it become more
mainstream in the practice of planning can benefit the researchers as well. This is due to the expanded body of practice and addition of the new previously unexplored theoretical issues.

**Greater Implications for Urban Planning**

The greater field of urban planning is set on the intersection of multiple fields; therefore, it is crucial to articulate all of the opportunities that may approach it and what fields such opportunities will be approaching from. In a greater sense, this research, if furtherly developed, can become a major technique in measuring post factum success of an anchor of development. As described earlier in the work, there is a clear indication that the dining establishment industry is showing signs of healthy separation from its dependency on the anchor, and as of 2019, the restaurant industry and Petco Park are engaged in a relationship better characterized as commensalism. This is one of the methods to infer that the strategy of revitalizing East Village district and linking it to the rest of the Downtown proved to be successful. Done without considering the initial investment too much and relying on the research of experts in prior academic works, this research allows for a mixed technique to be developed. It would be more academically rigorous and wholesome to develop financial analysis first and then dive into the health of satellite industries.

As for the satellites of anchor development, they have to be examined more scrupulously, as this research suggests. Anchor effect tends to fade over time, and it is highly necessary for practitioners in the field to understand that. If satellite development in a city or town is reliant on anchors for a prolonged time interval, this must be the indication of the lack of economic health in a particular
sector. Anchors are designed to provide access to opportunities: upon the initial introductory phase, businesses become dependent on themselves primarily. This is why surroundings of anchors have to be examined in the context as if the anchor is not there. If something looks off and there is a high level of discrepancy between the perceived control metrics and the observed metrics, then the anchor is still a vital source of customers and economic base for the satellites.

Furthermore, as this research indicates, quantitative and spatial analyses are very useful in attempting to tell a story of how economically healthy a certain industry is in the greater urban context. Often, planners may engage in qualitative approaches too much without diving deeper into data patterns and spatial distributions. This is partially why this case study may be considered as one of the more optimal forms of drilling down to a particular cause-and-effect pattern of development. As far as the master’s thesis allows, this research embodies techniques in spatial and quantitative analyses that can be replicated relatively easily with knowledge of geospatial and geoanalytical tools. By all means, economic externalities of anchors of development should not be compared without accounting for the circumstances a community was in, etc. Partially touched upon in the previous section, this topic will be further elaborated on in the ‘Concluding Remarks.’

**Concluding Remarks**

Through the preliminary stages of research, such as data cleanup and methodology refinement, several negative implications related to the current state of the world of sports and urban small businesses came up. First, post-COVID-19 recovery has shown that there is very little hope for fans to attend
large gatherings, such as Major League Baseball games, any time soon before a possible vaccine is developed. Critically, only a few sports like auto racing had any fans in attendance, some leagues capping attendance at 10%. What can be said for sure is that the current pandemic may result in long-term decrease in attendance for major sports. Petco Park, with its 42.5-thousand seating capacity, may not get halfway filled for a long time.

Recently, Major League Baseball has attempted a short season, so games are held in San Diego, although without fans Petco Park does not provide any economic stimulus to the surrounding area. As specified earlier, the restaurant industry in Downtown San Diego has stood the test of time and reframed itself as fully self-dependent, even with the introduction of three anchor development projects. Still, those restaurants that reopened with outdoor seating or takeaway possibilities do not experience an influx of gameday crowds: sports have been separated from the positive externalities of in-person attendance. Henceforth, it may and should change, but as of the time this master’s thesis is being written, Petco Park is one of the many examples of large-capacity entertainment venues that are not accessible to the public. Through the 2020 Major League Baseball playoffs, Petco Park has been selected to serve as a neutral venue to host several playoff games, partially due to its run-friendly and hitter-favoring outfield pattern. The idea of ‘hubs’ and single hosting facilities has been greatly advanced in the field of professional sports over the past several months, however, Major League Baseball, due to its revenue structures, has resorted to just the playoffs being hosted on neutral grounds. The entire regular season, not without sudden excesses and shutdown-threatening situations, has been played in a format resembling a regular season: all teams had both home and away series.
As for the eating and drinking establishment sector, many places in San Diego had to close, and it is reflected by data on various search websites. This was one of the many observations of preliminary research and data cleanup: about 25% of all dining establishments never reopened, with non-chain establishments faring worse than chain and corporate. Additionally, a lot of businesses included in the 2019 register by SanGIS.gov, the official data warehouse of San Diego County, are now indicated to be “permanently closed” on Google Maps. Without the updated list of businesses that is likely to come out in the end of 2020 or the beginning of 2021, there is no certainty that current research and analysis will reflect the bulk of sectoral trends for either full-service or limited-service dining establishments in San Diego, CA. COVID-19 has undeniably affected the restaurant scene in San Diego, and additional measurements will be conducted as this research progresses to evaluate the magnitude of the ongoing pandemic.

While multiple professional sports leagues are currently either in the process of wrapping up their seasons, there has been an increased degree of concern with the sustainable maintenance of players’ and spectators’ health. With so many unknowns in the near future, this research aims to not only reminisce on the past and praise the dining establishment sector in San Diego for its high levels of health and diversity. This research resulted, inadvertently, in a proposition for a bounceback: when realizing plans for reopening their economies, cities should consider the model of reaching success that San Diego has tried. The city, as indicated in Chapter 6, was moderately successful in achieving a well-executed development of its downtown. Without making any speculations about the long-lasting effects of COVID-19, let us hope there will be
a return to normal, not just the ‘new normal.’ Let us hope it will be normal to attend professional sports events. Let us hope stereo crowd noises reverberating off the concourse walls will be replaced by voices of live fans. Let us hope the process of integrating the American economy back to normal will be completed as soon as possible. And, more importantly, let us hope the pandemic does not take any more lives.

The first steps have already been taken, now it is time to draw from the best practices of the pre-pandemic times and reconnoiter the concept of economically healthy downtowns further. It sure looks like the City of San Diego is on a right path, and other communities, hopefully, will be researched and cross-examined in the upcoming studies.


Works Referenced


