

The Economic Benefits of Treasure Island Wetlands

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EXECUTIVE SUMMARY

This report examines the economic benefits associated with 40 acres of wetlands should they be constructed as part of Treasure Island redevelopment. It quantifies spending by Bay Area residents and tourists engaging in wildlife watching at the wetlands to arrive at an estimate of the value of one type of wetland use. Other types of benefits are surveyed, and their potential economic values are discussed. In so doing, estimates are evaluated in light of findings from the peer-reviewed literature. Key results include:

Estimated spending by visitors to Treasure Island wetlands range from \$4 million annually under the low-visitation scenario to \$11 million annually under the high visitation scenario.

Visitation rates at existing Bay Area outdoor recreation facilities do not scale with size. Although the very large facilities, such as the San Francisco Bay National Wildlife Refuge, have many visitors, other factors are more important determinants of visitation rates. Key factors include proximity to people, socioeconomic factors, public awareness (i.e., facility marketing), ease of access, and uniqueness. For these reasons, wetlands on Treasure Island may expect visitation rates rivaling much larger facilities.

Visitor spending for wildlife watching represents merely the minimum estimate of total economic value of wetlands. It does not account for the value of other direct uses, such as fisheries enhancement and water treatment. Nor does visitor spending describe the value of indirect uses, such as biodiversity augmentation, or the value of having the option to use wetlands in the future or simply knowing that the wetlands exist.

Economic theory and empirical research concur that visitor spending indicates only a portion of total economic value. Total economic value is likely to be at least double use values, of which wildlife watching is the only value quantified in this study. Total economic value is likely to be at least double visitor spending. The minimum estimate of total economic value under the low-visitation scenario is \$8 million, and \$22 million under the high visitation scenario.