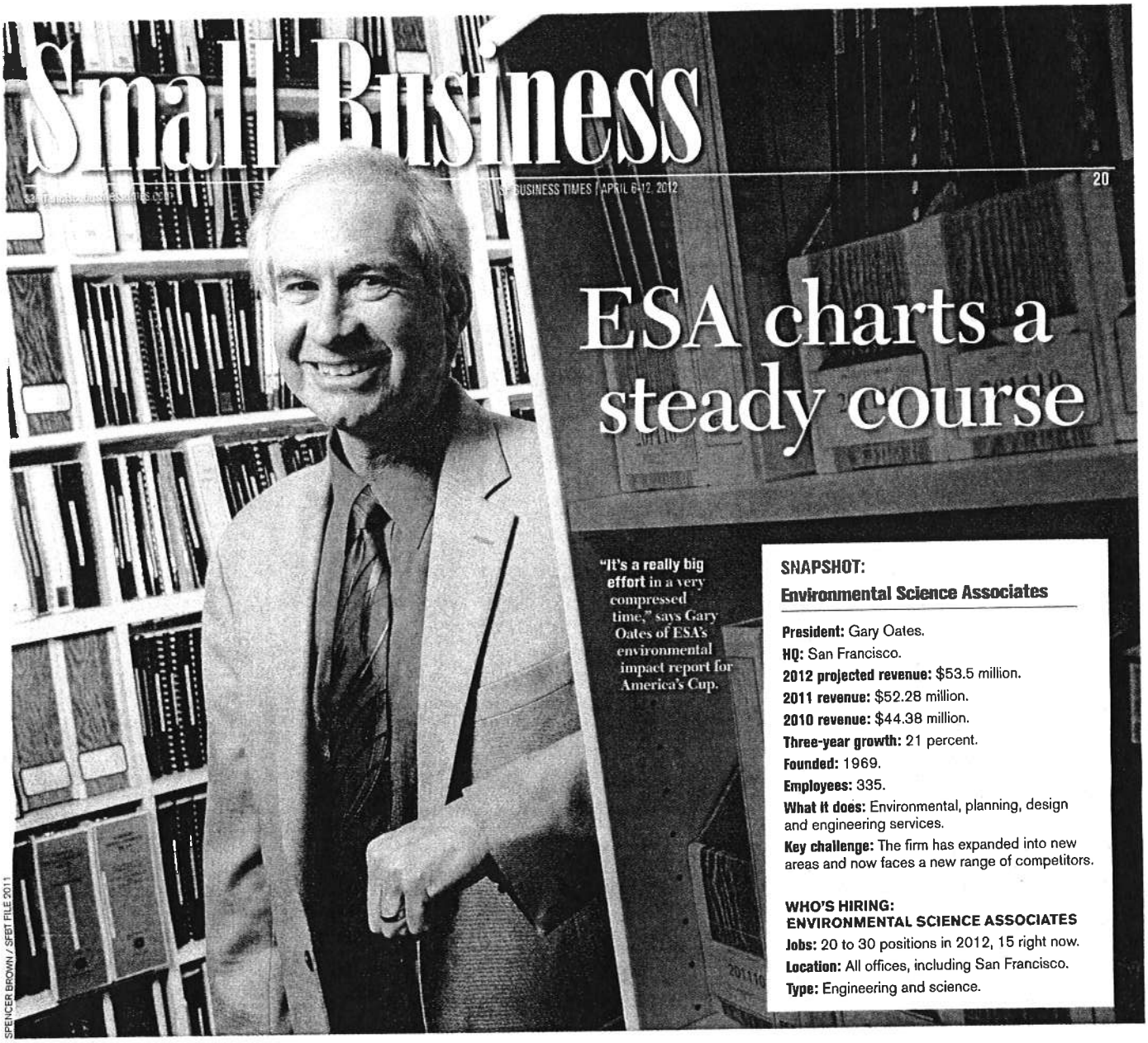
ESA charts a steady course



SPENCER BROWN / SFBT FILE 2011

"It's a really big effort in a very compressed time," says Gary Oates of ESA's environmental impact report for America's Cup.

SNAPSHOT:
Environmental Science Associates

President: Gary Oates.
HQ: San Francisco.
2012 projected revenue: $53.5 million.
2011 revenue: $52.28 million.
2010 revenue: $44.38 million.
Three-year growth: 21 percent.
Founded: 1969.
Employees: 335.
What it does: Environmental, planning, design and engineering services.
Key challenge: The firm has expanded into new areas and now faces a new range of competitors.

WHO'S HIRING:
ENVIRONMENTAL SCIENCE ASSOCIATES
Jobs: 20 to 30 positions in 2012, 15 right now.
Location: All offices, including San Francisco.
Type: Engineering and science.

Environmental design firm navigates S.F. development

BY HANNAH ALBARAZI
San Francisco Business Times

Environmental Science Associates' business is sailing along, partly thanks to the America's Cup.

The San Francisco-based environmental planning, design and engineering firm was chosen by the Port of San Francisco in February 2011 to produce the environmental impact report on the 2013 event, as well as the new James R. Herman Cruise Terminal. That contract totaled $4.92 million.

"It's a really big effort in a very compressed time for something of this magnitude. The America's Cup, in the 150-year history of the event, has never occurred in a bay. It's always been out in the ocean," ESA President Gary Oates said — one reason why stormy planning has engulfed the event.

The storm touched down close to ESA in February in the form of a lawsuit filed by an environmental nonprofit group against the Port of San Francisco, challenging the new cruise terminal and environmental impact report.

But the contract has helped boost ESA's revenue 21 percent over the last three years to $53.5 million. Still, the America's Cup is just one of more than 400 environmental projects ESA takes on annually.

ESA's staff — comprising biologists, engineers, architects, ecologists and archaeologists, among others — makes sure the firm's public and private clients are well-informed before building starts on a project.

Founded in 1969 by four scientists, ESA was established shortly before the enactment of the National Environmental Policy Act and the California Environmental Quality Act. Oates, who joined the firm in 1979 and became president in 1994, notes that there are often economic or political considerations factored into the development process, but his firm strives to save natural resources, while not blocking economic progress.

Dianne Oshima, planning director of the Port of San Francisco, has worked with the firm on numerous projects — including the America's Cup — and emphasized the diverse projects ESA has taken on around the Bay Area over the last four decades.

"They are very experienced in analyzing San Francisco development," Oshima said. In fact, almost every Bay Area resident has unknowingly reaped the benefits of ESA's environmental assessments, from the coastal restoration of Crissy Field and San Francisco Bay tidal wetlands to assessment of wind and solar projects throughout the region.

The firm is now 100 percent employee-owned and has grown to roughly 335 employees over the last four decades, entering an era of tremendous growth in the last five years, acquiring four companies during that time and now working out of 13 national offices.

The success means that ESA competes for environmental projects against publicly held engineering and construction management firms, such as San Francisco-based URS Corp., which has 46,000 employees, and Los Angeles-based AECOM, which has 45,000 employees, both with 2011 revenue in the billions of dollars. Smaller firms generating revenue in the millions, such as Phoenix-based SWCA and Irvine-based LSA, are also among ESA's competitors.

Les Card, CEO of LSA, said his firm and ESA are very similar in size and geographic reach. LSA recently finished the EIR for the SFMOMA expansion and is currently working on the EIR for the Apple Campus 2 project in Cupertino.

"I'm sure we have had competing proposals," Card said. The main difference between the firms, Card said, is that LSA's work is frequently centered around transportation infrastructure, while ESA tends to focus on ports.

ESA's future plans include opening new offices and expanding the range of services offered. Oates said pressing water issues in the West would likely drive more of their business and he is likely to expand the firm into the Southwest and the Great Basin. Oates said he strives to maintain the educational culture from which the firm originated and encourages knowledge sharing across the company. For Oates, it's the integrity and ethics at the root of the firm that drives its work.

"When we see the potential for some environmental consequences that could be important, we work to come up with ways to offset, reduce or eliminate them," Oates said.

halbarazi@bizjournals.com / (415) 288-4966 ■