

The Gulf of California:

Loreto Sees the Limits of Growth: Slow and Steady Wins the Race

By Miguel Ángel Torres | March 18, 2007

Decisions on the growth of Mexican cities have, until now, been left to private investors and land speculators, backed to the hilt by the federal, state, and municipal governments. Only in recent years have the opinions of the local population and academic researchers been taken into account in urban development plans, which often are dead letter or are overtaken by events on the ground.

The concept of city has traditionally been assumed to be synonymous with progress, with new and better job opportunities, and therefore with economic well-being and a “modern” lifestyle. In addition, voices questioning urban sprawl have usually been accused of being enemies of progress and change, derided as being enamored of the status quo, and demonized before the public, all while the cities are circled by shantytowns and plagued by growing unemployment, the spread of the informal sector, and inadequate medical, educational, and recreational services.

Things are turning out differently in Loreto, Baja California Sur, which the National Tourism Promotion Fund (Fonatur), a federal agency, plans to turn into a large international-class tourist attraction by building hotels, condominiums, marinas, and villas, mainly for U.S. and Canadian tourists. This could lead to a tenfold increase in the town’s population by 2025. Fonatur’s plans were backed by the municipal government through its proposed “Subregional Urban Development Program for the Loreto-Nopoló-Notrí-Puerto Escondido-Ligüi-Ensenada Blanca region.”

The program was met by a united response from loretanos, academics, services providers, and social organizations. After numerous meetings, including at the regional level and with outside participants, most notably from Harvard University, these stakeholders drafted an alternative growth plan and a series of proposals that are currently being analyzed by the town council. They oppose

following in the footsteps of San José del Cabo and Cabo San Lucas, better known as “Los Cabos,” once quiet fishing villages whose physiognomy and customs have changed at a dizzying pace. Indeed, Los Cabos have now emerged as Baja California’s



Misión de Loreto: The entire town meets to take part in decisions that affect the environment. Photo: Miguel Ángel Torres



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La Paz: Loretanos have taken note that public beaches have been replaced with yacht marinas.
Photo: Miguel Ángel Torres

Loretanos have also kept a close eye on events in the state capital, La Paz, where urban growth has led to the building of shopping malls, hotels, and marinas for yachts, mostly from the United States, on what used to be public beaches. Urban growth has destroyed the flora and fauna, while coastal fishermen point to that growth as one, but not the only, reason for the dwindling number of fish species. At the same time, there is growing social discontent because the construction projects prevent local residents from using paths that are now exclusively for the new owners.

The citizen-participation process and the outcome of this process in Loreto will provide lessons for

those in other parts of Mexico facing the challenge of unbridled urban growth at the expense of the destruction of natural resources and a lower quality of life. The experience has required resorting to legal resources and planning instruments available to the federal, state, and municipal governments; alternative forms of organizing, which allow for consensus-building among stakeholders as different as business people and residents who depend on the ocean for their livelihood; as well as international and local organizations. All of the stakeholders come together in meetings to take part in decisions on projects that affect the environment and pose a menace to future generations.

Whether by air, land, or sea, the view upon arriving at the town of Loreto is spectacular. Loreto is bordered on one side by the Sea of Cortez, with its range of blue hues and island-dotted waters; on the other, by the Giganta mountain range. The town boasts a history that goes back to pre-Hispanic times and a great wealth of terrestrial and marine natural resources. Most of this peaceful town's 15,000 residents are services providers and fishers.

Loreto, Ixtapa-Zihuatanejo, Los Cabos, and Cancún were Mexico's emblematic tourism projects in the 1970s. Plans for Loreto stalled because of its remoteness from central Mexico and the paucity of public and private investment. As far back as 1976, Fonatur planned Loreto as the main residential area for the local population, Nopoló as the hotel, tourist and real-estate area, and Puerto Escondido as the harbor.

No Limits and in a Hurry

The "Subregional Urban Development Program for the Loreto-Nopoló-Notrí-Puerto Escondido-Ligüi-Ensenada Blanca Region" picks up where that original plan left off. Of several possible scenarios proposed for 2025, the one that was selected purports to allow for "balanced and decentralized growth, with support villages, creating attractive areas for urban development outside of Loreto and Nopoló, locating new infrastructure in those areas to meet the needs of the population in Ensenada Blanca, Ligüi, Puerto Escondido and Notrí." The program calls for the construction of 13,000 tourism-related rooms in three stages. These rooms are expected

to attract 126,561 new inhabitants, that is, nearly 10 for each new room, including laborers and their family members and other in-migrants.

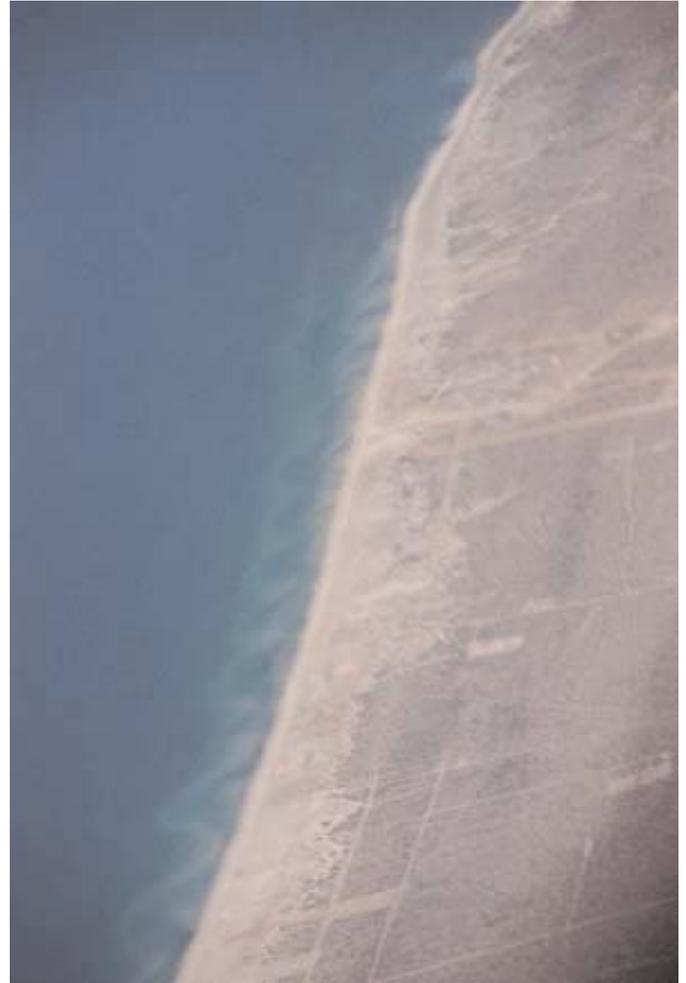
This ambitious plan sparked a controversy, which heated up further when Harvard University released the results of a study titled *Alternative Futures for the Region of Loreto, Baja California Sur, Mexico*, written in conjunction with researchers from the Autonomous University of Baja California Sur, the University of Arizona, the Centro de Investigaciones del Noroeste, San Diego State University, and other institutions.

In the opinion of Sergio Morales Polo, leader of Grupo Ecologista Antares, the new drive to develop Loreto comes from the fact that the federal government's proposed Escalera Náutica project has not produced the desired outcomes. "We thought their project was too big and, in addition, they wanted to submit a single environmental impact statement for the 27 marinas, but we succeeded in having them commit to submit one for each one and to reduce the number of marinas." Morales Polo says that the project "gradually lost steam, and the financial backing was to come from private investors, but given the country's economic conditions, they are unlikely to come onboard."

More than 300 years after being founded, the municipality of Loreto is home to some 15,000 people. The program proposes a tenfold growth in just 20 years. "The truth is, the project scared us," says Rodolfo Palacios, of Loreto 2025, a citizens' organization made up of owners of hotels, restaurants, and vehicle-rental agencies; academics; fishers; and services providers. Loreto 2025 and the Loreto Hotel Association submitted observations on the Subregional Program at the public-comment consultation held by the municipal government. "The municipal government is now analyzing the proposals and will have to explain why it did or did not decide to take them into consideration," Palacios says.

The report coordinated by Harvard argues that the Program's projected population growth, based on the number of rooms, falls short, since experiences in other tourist destinations assume a population-to-room ratio of 15 to 1, rather than the 10 to 1 assumption used in the municipal

government's document. If the number of rooms is assumed to be 12,000, that is, 1,000 fewer than in the original proposal, and the ratio of population to residents is 20 to 1, Loreto's population will grow to 240,000. This is equivalent to an average annual growth rate of 14.9%. Local residents reject such a future and find it unimaginable.



The range of blue hues of the waters of the Sea of Cortez. Photo: Miguel Ángel Torres

Richard Kiy, president of the International Community Foundation, which sponsored the *Alternative Futures* report, is categorical: "You don't go from 15,000 to 240,000 people overnight without regretting the consequences." He adds that he hopes the report will serve as an instrument for the people of Loreto to think about the long-term growth of the region, because the growth called for in government plans will have a "tsunami effect."

In the least drastic scenario described in the report—2,000 new rooms and 15 residents per



Street near the center of Loreto: The municipality is home to 15,000 people. Photo: Helene Michoux

room—the population will double in 20 years, for an average annual growth rate of 3.5%. An adage rooted in popular wisdom advises “paso a paso se llega más lejos” (roughly, “slow and steady wins the race”), and this adage could well be applied to urban-growth planning.

The Water Limit

The main constraint on the region’s development is the lack of water. Residents now get their water from an aquifer 30 km. away, in San Juan Londó. Pumping already outstrips recharge, and the aquifer is under additional strain to meet demand for new livestock projects. *Alternative Futures* states that “any future development must find an alternative water source for that development and the associated growth in supporting population.”

But, as often occurs in many parts of Mexico, events on the ground have overtaken the plans: The Loreto Bay Company is already constructing, as stated in its plans, 6,000 villas for the Canadian and U.S. market, on 3,200 hectares of land. Also planned are two 18-hole golf courses, a tennis center, a marina, a sportfishing center, a beach club, restaurants, boutiques, art galleries, and a market. The company says it agrees with “environmental conservation, job creation, and the commitment to devote a portion of proceeds from home sales to developing the community of Loreto, in addition to setting aside 2,000 hectares as a natural reserve. Being a sustainable community also means producing more drinking water than we consume, which will enrich existing streams and marshes and encourage the biodiversity of the land on which

the villas sit”—according to the company’s website.

Several groups believe the Loreto Bay project is too big and will have disastrous consequences. “Each [tourism-related] room generates 20 new residents, consisting of five employees plus three relatives each; that makes 15, and the remaining five might be unplanned in-migrants, seeking adventure. The intention is to construct 6,000 villas, each one with two dwellings, which adds up to 12,000 rooms, and [multiplying this] by 20 persons results in 240,000 new residents, yet Loreto only has water for 60,000 people,” argues Morales Polo, whose Loreto-based group belongs to the Network of Environmental Organizations of Baja California Sur (Rocas).

Loretanos ask that the number of rooms be reduced from 6,000 to 2,000, since not only Nopoló but also the surrounding areas are slated for development. “We are pressuring the town council to scale it down and put very tight locks on the development plan and reduce the number of rooms per hectare. They are now constructing an Infonavit [National Fund for Worker Housing] complex, but a deluxe one; they try to use land to the utmost and they ruin the landscape. That is going to lead to overcrowding,” says Morales Polo, adding that it is unclear how Loreto Bay is going to solve issues such as garbage, water, or electricity. “At the beginning, about two years ago, we did not have a clear idea of the magnitude of the project, but in the last year we have seen that this was going to be serious and that was when we decided to participate,” he says.



Boat landing in Loreto: 14.9% annual growth, an unimaginable future for local residents. Photo: Helene Michoux.



Sergio Morales Polo: They are now constructing an Infonavit complex, but a deluxe one; they try to use the land to the utmost and they ruin the landscape. Photo: Miguel Ángel Torres

Nevertheless, mayor Rodolfo Davis Osuna believes that the Subregional Program is viable since it has a very low density and impact. “If in this tourist corridor in Loreto, we were to copy a Cancún-, Los Cabos-, or Ixtapa-style development, for example, we would have 45,000 more rooms and more than 450,000 residents. That’s not what we are doing,” he said at a forum on funding drinking water and other critical infrastructure projects in Baja California Sur, last October.

The previous mayor also ignored *Alternative Futures* estimates on water availability, which were based on mathematical models and geographic information system data, among others. “He has told us that there is no water. Very knowledgeable voices from outside, with every intention to help, tell us that our main source of water, San Juan Londó, can only sustain 20,000 residents. They tell us that to grow more would mean depleting that aquifer sooner or later,” the former mayor said at that time, claiming that Loreto pumps 9.7 million liters of water from the aquifer, of which a large quantity is wasted due to inefficient management. He also claimed that a modern, efficient system would provide water for 35,000 residents without pumping one more cubic meter from San Juan Londó, and he asked for financing for this purpose.

What is clear, as Kiy notes, is that “It is irresponsible to plan a large-scale development without determining where the water and energy will come from,” and he explains that those are the reasons for which Loreto has not seen much development.

The water situation in Loreto is uncertain and the only point nearly all stakeholders agree on is that there is not enough of it. The Loreto Hotel Association, in one of the proposals submitted at the public consultation on the Subregional Program, is emphatic on this point: “Because of the high degree of uncertainty on the amount of water available, we propose strictly limiting the number of hotel rooms to 3,500, which implies a population of 59,500.” The Association also advises that development be gradual until conclusive studies have been completed.

The Association points out, moreover, that the estimated figure of 10 million cubic meters of annual recharge given in the 1986 geohydrological study of the San Juan Londó basin by the National Autonomous University of Mexico (UNAM) is impossible, since, according to the National Water Commission, average annual precipitation is 5.9 million cubic meters. The Association adds that the mathematical model used by the University of Arizona estimates a maximum annual recharge of two million cubic meters. Currently, three million cubic meters are being pumped for Loreto and four million cubic meters for the agricultural area of San Juan Londó. Hence, based on per-inhabitant consumption data, in the best case scenario, water availability limits growth to 30,000 residents, while in the worse case scenario, the aquifer is currently being overpumped and will experience saline intrusion between 2015 and 2025, even without population growth.



Golf Course: The water situation in Loreto is uncertain and the only point nearly everyone agrees on is that there is not enough. Photo: Helene Michoux

New Types of Constraints

In addition to the Loreto Hotel Association, Loreto 2025, and Antares, the Niparajá civic organization and the director of the Loreto Bay National Park also submitted observations and recommendations. In general, they agree on the need for reasonable growth and on making water the priority for any scenario. At the same time, they stress various issues that illustrate the value locals place on factors such as landscape, marine fauna, wetlands, and the poor example they believe is being set by the explosive growth of the Los Cabos region in recent years. “In Cabo San Lucas you go to the beaches and you find all kinds of trash—diapers, plastic, bottles, and now street vendors are proliferating. It seems that residents are bewildered by the change to the city, they still haven’t grasped how ugly it has become, there are many complaints over the lack of services. Fifteen years ago, the town was not half what it is now,” says Jorge Luis Díaz Calderón, an employee at the Cabo San Lucas Marina, who prefers going for walks on the beaches in La Paz.

Another of the constraints referred to by the members of Hotel Association is the need to avoid the destruction of wetlands proposed in the Subregional Program. They see a contradiction between the intention to channel the streams and dry the wetlands and that of using the land for the real-estate industry. The criticism leveled by the hotel industry extends to the government’s plans to locate tourist facilities on property facing the most popular beaches of the region, Chuenque and La Salinita. “Nothing should allow them to be above the collective interest of our town, which seeks to protect its identity, conserve its quality of life, and preserve the ecological wealth of our environment and the harmonious growth of the city,” the Association said in a document delivered to the municipal authorities and signed by its president, Gilberto Amador Davis.

Niparajá is opposed to the Subregional Program being accepted in its current form—among other reasons, because it is not based on a comprehensive environmental assessment and it proposes land-use density policies that disregard the natural potential and attributes of the sites. Niparajá recommends exercising caution and immediately

initiating a comprehensive water management master plan, and says the town council should set up an information system comprised of a property registry, and data on and water, ecology, and municipal services.

Regarding Loreto Bay Natural Park, Niparajá’s proposal, delivered to the mayor’s office and signed by Gabriela Anaya Reyna, the organization’s executive director, asks that development modalities and projections be reconsidered once the park’s carrying capacity is known. To determine its carrying capacity, Niparajá suggests drafting a technical study to determine the impact of the desalination plants, compiling an inventory of the main point and non-point sources of pollution in the coastal area, as well as monitoring the quality of the seawater and the accumulation of toxins in marine species as bioindicators of contamination.



Burning trash on the outskirts of Loreto: Grupo Antares asks for enforcement measures to curb the use of illicit trashdumps. Photo: Miguel Ángel Torres

For its part, Grupo Antares demands the inclusion of subprograms designed to take each community’s specific characteristics into account. This would add San Nicolás, Juncalito, and San Bruno-El Mango to the communities already included (Loreto, Nopoló, Notrí, Ensenada Blanca, Puerto Escondido, Ligüi, and El Bajo-San Basilio). The group also asks that important areas overlooked by the Subregional Program be addressed, including oases, estuaries, wetlands, mangroves, streams, and reefs. It notes that the number of green areas is insufficient and asks that the municipal landfill be relocated once the required technical study has been conducted.

The office in charge of Loreto Bay Natural Park, headed by Roberto López Espinosa de los Monteros, is concerned by the Subregional Program, “because it lacks a sustainable and comprehensive vision of the development of Loreto and, consequently, of the national park.” Among other objections, park officials point out that the program overlooks potential impacts on or changes in the park resulting from population growth. López Espinosa recognizes that failing to take these impacts into account will put ecosystems and species at irreversible risk by giving massive numbers of visitors access to island ecosystems, beaches, diving sites, bird breeding colonies, sea lion resting sites, and the feeding and breeding grounds and migratory routes of various marine mammals that pass through the park.

In addition, he warns of a possible collapse of the stocks of commercial and sport fish. Like the civic organizations, the park directors request new studies on the water situation and a reduction in population growth projections.

According to Kiy, the challenge is to preserve such a sensitive ecosystem, which has remained undisturbed for thousands of years. Unlike Los Cabos, Loreto’s appeal is ecotourism, the beauty of the landscape, sportfishing, Concepción Bay, and the Giganta mountain range. “The risk of developing too quickly is that you kill the goose that laid the golden egg,” Kiy says, adding that, in any event, “the entire area of the Sea of Cortez is going to change.”



Traditional house at Misión de San Javier: Carlos Ignacio Martínez Bastida lives “happy—I lack nothing here.” Photo: Helene Michoux

Environmental Priorities in Loreto

In addition to the lack of freshwater and the challenges posed by population growth, other issues need to be worked out. The priorities, according to Morales Polo, include surveillance and monitoring at Loreto Bay Natural Park and the surrounding area. The four inspectors charged with these tasks are insufficient. Morales Polo proposes creating a municipal monitoring system with the participation of all three levels of government, civil society, and the private sector, to curb activities such as irresponsible fishing, illegal fishing methods, the improper use of the islands, unauthorized clearing, and illicit trashdumps.

He also refers to the lack of trash treatment and disposal and of an environmental and tourism culture—basic elements to make services providers and citizens aware of the need to preserve their cultural and natural heritage. He proposes that training be provided by the Autonomous University of Baja California Sur, government, the private sector, and civil society organizations.

“[Our] environmental culture is very weak, we need *loretanos* to know that conservation is needed for the survival of their children and grandchildren because otherwise Loreto will not subsist; it has no other options: agriculture is unviable because it does not rain, there is no water, there is not enough arable land. [The town] does not have a potential for livestock raising because this requires stockyards and pasture, which are unthinkable without water. Any industrial activities undertaken would be far away from markets. The only possibilities come down to tourism and fishing,” Morales Polo notes plaintively.

Across the street from Misión de San Javier, 36 km. from Loreto, Carlos Ignacio Martínez Bastida squints when asked what his life is like here: “Happy—I lack nothing here, I have what I need, although it’s true that you don’t have everything here, but you don’t need a lot and I do what I like to do,” he says. His way of thinking is unfathomable for a foreign investor or a politician, always thinking of how to obtain more. Meanwhile, Martínez works in the field from 8 a.m. to 5 p.m., uses a bicycle to get around, and appears to have no notion of what it’s like to be in a hurry. His

house has drinking water and in the town there is a health center. Each family in Misión has its own plot of land where it grows garlic, tomatoes, onions, peas, broad beans, papayas, mangos, lemons, oranges, and grapefruit. They sell their products to stores in Saint Rosalía and Loreto.

Soon there will be a paved highway to San Javier, which is expected to bring more tourists. Balancing the impact of this tourism with the daily routines of the town's residents is a challenge for this type of tourist destinations, which are under more scrutiny than one might think.

Miguel Ángel Torres is co-founder and co-director of Journalism to Raise Environmental Awareness, which is responsible for this series of investigative feature reports on sustainable development in the Gulf of California Region, made possible thanks to people throughout the region. It was sponsored by the Fondo Educación Ambiental, the International Center for Journalists, and the David and Lucile Packard Foundation. Translated by Alan Hynds for the IRC America's Program at www.americaspolicy.org.

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