

**The North Portage Project: An Urban Planning Perspective on
Public-Private Partnerships and Downtown Revitalization**

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**A Practicum
Submitted to the Faculty of Graduate Studies
in Partial Fulfillment of the
Requirements for the Degree of**

MASTER OF CITY PLANNING

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**THE NORTH PORTAGE PROJECT:
AN URBAN PLANNING PERSPECTIVE ON PUBLIC-PRIVATE
PARTNERSHIPS AND DOWNTOWN REVITALIZATION**

BY

LIZ ROOT

**A Thesis/Practicum submitted to the Faculty of Graduate Studies of the University of Manitoba
in partial fulfillment of the requirements for the degree of**

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Abstract

The North Portage Project: An Urban Planning Perspective on Public-Private Partnerships and Downtown Revitalization

This is a qualitative study of the North Portage revitalization project in downtown Winnipeg. The objective of the study is to examine downtown revitalization and public-private partnerships from an urban planning perspective. In this context the investigation examines the planning and development process, the role and function of the key public and private sector actors in the project, and identifies the key critical variables and factors of public-private partnerships in downtown revitalization. The practicum explores three main themes:

1. The theory and practice of downtown revitalization;
2. The problem of downtown decline;
3. The role, function, and innovations of a community development corporation and public-private partnerships in the North Portage revitalization project.

The North Portage planning and development process was a response to the social, economic, and physical decline which had occurred in the area since World War II. In order to reverse the investment inertia the North Portage project did not apply a standard redevelopment formula but the planning and development process was flexible and responsive to the development context. This responsiveness was enhanced by a community development corporation which was created to oversee the implementation of the development plan and to facilitate public-private partnerships for this purpose.

Based on this experience, this practicum provides a synthesis of the North Portage experience and the lessons learned as a contribution to planning practice. The lessons and experience suggest that there is a range of critical variables which influenced the 'culture' and conditions of the North Portage planning and development process. These circumstances created the conditions for a proactive and innovative approach, in process and substance, in the redevelopment of North Portage which a traditional regulatory framework had been unable to accomplish. And while the analysis of the North Portage project suggests it exemplified emerging contemporary downtown revitalization practice, in terms of governmental and non-governmental actors working together, and articulates the success factors for downtown revitalization, the case study also suggests that further research must examine the weaknesses of this type of approach. However, while the process exemplified a 'classic' downtown revitalization process, in terms of the

development program, the community development corporation model, and the pitfalls of this type of process, the case study analysis acknowledges that it is unrealistic to expect that a single project would be able to reverse fifty years of social, physical, and economic decline.

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Chapter One

1.0 Introduction and Background

This is a qualitative study of the North Portage revitalization project in downtown Winnipeg. The objective of the study is to examine the theory and practice of public-private partnerships in downtown revitalization, the role and function of public and private sector actors in the planning and development process, and to identify the critical variables and factors based on the North Portage project experience.

This introductory chapter outlines the research in five sections: (1) the intent and rationale of the research; (2) identification of the investigation's planning theory framework; (3) a description of the North Portage problem; (4) a statement of the research objectives and the specific research questions being addressed; and (5) an overview of the practicum organization.

1.1 Research Intent and Research Rationale

The intent of this qualitative research is to apply theory to the practice of downtown revitalization. By integrating planning theory with the experiences of urban development practitioners the research identifies the critical factors in the redevelopment process. The purpose of the practicum is not to evaluate the North Portage project, rather the practicum investigates North Portage based on the objectives of the development program. The practicum therefore explores:

1. The theory and practice of downtown revitalization;
2. The problem of downtown decline;
3. The role, function, and innovations of a community development corporation and public-private partnerships in the North Portage revitalization project.

As urban areas experience change, the practice of urban redevelopment is also continually evolving. To be sure, approaches, in process and substance, change in response to social, political, and economic trends. Contemporary trends suggest that complex planning and decision-making, in terms of economic development, social programming, and physical infrastructure, are increasingly occurring at the local level. These trends also highlight the significance of public-private partnerships in this process. In this sense, the rationale for this practicum research is based on the notion that mechanisms that enhance financial and organizational capability between the public and private sector is the future of planning practice. The research therefore strives to identify the critical success factors and issues as they contribute to this practice.

1.2 Planning Theory: Revitalization From a Planning Perspective

This section sets out the theoretical framework of the investigation by introducing Donald Schon's "Reflective Practitioner" and Richard Bolon's "Conceptual Scheme for Community Decision-Making", two approaches used in the case study research design and final analysis. Both Bolon and Schon argue that the classic model of rationality is at best inadequate to understand the complex decision web professionals operate within in contemporary society.¹ Decisions are based on criteria which are not necessarily rational or lineal. Instead, each author questions the validity of the so-called rational model. In other words, Bolon's and Schon's approaches allow researchers to include "intuition" as a criterion for "reflection-in-action" and to understand that in reality decision-making processes occur in the disorganized context of everyday life and not within a lineal rational model.

These approaches are important to the theory and practice of downtown revitalization because contemporary urban planning processes now recognize the tension

¹ Richard Bolan, "Community Decision Behavior: the culture of planning", in Andreas Faludi, *A Reader in Planning Theory* (Oxford: Pergamon Press, 1973).

between the particular and the universal which a purely rational-comprehensive planning model does not. To be sure, the emergence of citizen participation, environmentalism, and the growth of 'communities of interest' challenge planning approaches to incorporate distinct characteristics of local knowledge, culture, and the environment into planning processes. In that sense, Bolon's pragmatic rationalist approach helps us recognize the 'culture' of planning processes and the agency brought to the decision-making process by the actors themselves. In practice, the North Portage project findings suggest that the culture and agency manifested itself in the leadership afforded by the public and private sector, in addition to the organizational model of NPDC. Similarly, using Schon's reflective practitioner heuristically, the analysis suggests that participants contribute to this culture vis-a-vis their personal practical knowledge. For example, as chapter five details, the Administrative Task Force, the NPDC Board members, the NPDC administrative staff, and the private sector developers each contributed their personal practical knowledge to the project. According to Schon's argument this knowledge is not rational or quantifiable in a strict sense, rather it is an accumulation of experience. Lastly, both Schon and Bolon's hypotheses provide useful analytical frameworks, in terms of contemporary urban redevelopment and public-private partnerships, because their approaches acknowledge the incrementalist aspect of decision-making processes.

To be sure, neither Schon nor Bolon's approach claim that rationality is not essential to planning practice. Rather, for example, Bolon's conceptual framework suggests a type choreography of community planning decision-making, and that the rationality lies in understanding the type of processes which 'tends toward action' and the type that 'tends toward inaction'. In practice, as the North Portage experience demonstrates, the planning and decision-making process had a distinguishable choreography which evolved out of the particular development history of downtown Winnipeg. This history both limited the possibilities and provided the impetus for a new approach to their problem of downtown decline. Moreover, the North Portage case study

findings also illustrates the way in which Bolon's generic framework is relevant to the particularities of practice. Bolon's approach provides the framework to sort out the complexity of North Portage planning and development process while still being malleable and adaptable enough to bring a clear understanding of the locally-based aspects of the process.

The following sub-section outlines the evolution of the rational decision-making model thereby providing relevant background for an exegesis of Bolon's "Independent Variable Sets Influencing Decision Outcomes".

1.2.1 Evolution of the Rational Decision-Making Model: Rationalism, Incrementalism, Mixed Scanning, and Pragmatic Rationalism

The rational decision-making model begins with the premise that all alternatives should be surveyed and analyzed, and, as a consequence, the optimal solution shall be selected to achieve the goal. For example, Geddes' (1915) notion of 'survey before plan' provided the theoretical backbone for this approach.² The rational model demarcates a clear relationship between ends and means, and assembles the tasks to meet the objectives in a rational sequential plan (Figure 1).

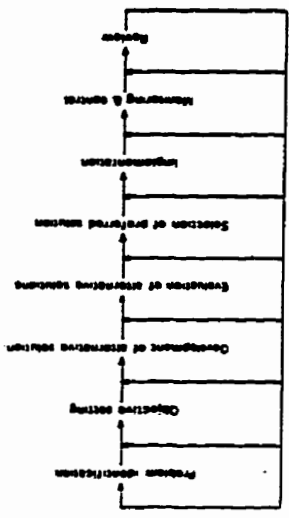


Figure 1
The Rational Planning Process
Source: Chris Couch *Urban Renewal: the theory and Practice*

² O. Yiftachel, "Towards a New Typology of Urban Planning Theories," *Environment and Planning B: Planning and Design* v. 16 (1989): 23.

The vision of the rational decision-making planning model peaked in the 1930's and 1940's.³ The rational planning model invoked the idea that it was empirical, positive, comprehensive and was a scientific method in which to reach decision and planning objectives. Following the end of World War II the early faith in science, particularly in the social sciences, had seriously come into question with respect to the possibility of surveying all possible alternatives prior to selecting to an optimal solution. "No one [could] claim to understand how society "really" worked, or to understand it well enough to propose plans for the whole of it."⁴ Nevertheless, in the 1950's and early 1960's planning theory continued to apply rational comprehensive planning methods; planners, according to Friedmann, saw planning as a form of scientific management which differed from traditional management because the profession brought special skills to the rational analysis and solutions to social problems.⁵

By the late 1960s and 1970's planning theorists' introduced alternative conceptualizations thereby presenting a challenge to rational decision-making methodology. For example, Andreas Faludi argued that a rational decision-making model had inherent methodological limitations; he states: "The key problem of all rational planning is that of coping with the limitations from which every conceivable subject suffers."⁶ The criticisms of the rational decision-making model are located within the so-called 'procedural debate'. The procedural debates are originally represented in 'disjointed incrementalism' (Lindblom, 1959), and the 'mixed-scanning' (Etzioni, 1967) approaches both of which draw on the weaknesses and problems embedded in the rational decision-making model.

The essential tenets of Charles Lindblom's disjointed incrementalism are summarized as follows: incrementalism refers to the type of policy analysis and decision-making that takes into account only marginal (or incremental) differences between a

³ Vasu , 182.

⁴ John Friedmann, Planning in the Public Domain: from knowledge to action (New Jersey: Princeton University Press, 1986) 6.

⁵ Friedmann, 7.

⁶ Andreas Faludi, Planning Theory (New York: Pergamon Press, 1973)105.

proposed policy or state of social affairs and an existing one. In other words, it appraises small changes in large variables".⁷ In the "Science of Muddling Through" Lindblom lays out the essential elements of the incremental model of decision-making. He argues that the model was empirically superior (as a description of reality) and normatively more consistent with democracy than the rational comprehensive model. According to Vasu, Lindblom calls into question all the assumptions of the rational-comprehensive model. First, Lindblom argues that there is no unquestionable societal consensus on values, moreover there is not an exact means to accurately gauge majority opinion. Moreover, it is impossible to have all the appropriate information which is needed to make a 'rational' decision.⁸ Finally, Lindblom, using the notion of disjointed incrementalism, argues that rational planning works best when the decision has to do with distributive (allocation of resources) rather than redistributive matters (deal with reallocating resources from one group to another). Unlike distributive decisions, redistributive questions involve far more political intensity and bargaining and therefore is much more amenable to incrementalism.⁹

Amitai Etzioni's "mixed-scanning" combines rationalist and incrementalist approaches; he notes that incrementalism, as a politically conservative approach, does not serve everyone's interests equally because not everyone has adequate resources to ensure their concerns are addressed in the decision-making process. Moreover, Etzioni argued that incrementalism can simply be an ideological justification for the status-quo in order not to engage in a comprehensive and systematic analysis within the decision-making and planning process. Nevertheless, mixed -scanning provides a conceptual middle ground between the limited perspective of incrementalism and the synoptic view of rationalism. As Vasu states: "It combines the higher order, fundamental decision-making with lower order incremental decision-making into a single model. Mixed-scanning correctly observes that

⁷ Vasu , 188.

⁸ Ibid., 187.

⁹ Ibid.,187.

without the perspective of the "big picture" major variables will be excluded in any incremental analysis."¹⁰

Yiftachel suggests that the challenge to the rational model, undertaken by the disjointed incrementalism and mixed-scanning approaches, is significant, but the volatile economic conditions of the late 1970s also effectively exposes the "...political and often particularistic nature of planning...".¹¹ In other words, given the complexity and changeability of the social and economic context, a pure rational model was unable to deal with a plurality of variables. To that extent, the rational model had, to a certain degree, lost its 'ascendancy' as being capable to predict and guide the future.

Following the challenge to the rational decision-making model, put forth by the procedural debate, 'pragmatic rationalism' emerged as a contingency theory of planning. According to Yiftachel, pragmatic rationalism contends that absolute rationalism and comprehension are not only impractical but also impossible in the increasingly politicized environment of governmental decision-making.¹² This approach does not deny rationality as part of the analytical process, rather it recognizes that "...detailed problem-solving methods are 'bounded' by external constraints."¹³ This argument can be found as early as the 1940's in Herbert Simon's work on organizational behavior. Simon's model centred on the concepts of 'bounded rationality' and 'satisficing'. Bounded rationality meant that decision-makers do plan, but only by searching a few available alternatives, only by seeking to assess a few of the consequences of each, and only using highly simplified assumptions about cause and effect.¹⁴ Second, Simon's notion of satisficing means that decision-makers do not really seek the optimal solution, only the first solution that satisfied the minimal criteria they deem necessary.¹⁵ In other words, Simon's initial work

¹⁰ Ibid., 196.

¹¹ Yiftachel, 35.

¹² Ibid., 35.

¹³ Ibid., 35.

¹⁴ Vasu, 190.

¹⁵ Ibid., 190.

recognizes the context in which decision's are embedded and, more importantly, decision-makers bring agency to the process. As we shall later see Bolon's contingency framework falls within the aforementioned pragmatic rationalists tradition.

1.2.2 Contingency Theory: An Interdisciplinary Approach to Planning Practice

Originating from modern organizational theory, contingency theory recognizes that no pre-determined organizational structure can be prescribed as correct for all situations, but rather that organizational design must take into consideration the particular circumstances and variables of the problem context.¹⁶ A contingency approach is an interdisciplinary approach which situates the planning and decision-making process in the social, political, and economic context. This approach is especially relevant for understanding downtown revitalization, and associated public-private partnership arrangements, since, for example, redevelopment projects typically draw on a diverse range of expertise from governmental and non-governmental actors, and the political environment can often be unpredictable. In relation to understanding practice, a contingency framework posits that the appropriate range of choices regarding organizational structure and process is contingent on any number of situational factors. To be sure, this approach does not refute rational analysis, rather it is cognizant that the external environment impacts upon the planning and decision-making process.

A contingency framework tailors, or draws from a variety of planning and decision-making models, that are "...strategies which [suit] the institutional and political situation in which the planner operates."¹⁷ In the article "Coping with Uncertainty in Planning" Christensen argues that while the rationalist approach is central to the traditional planning

¹⁶ Couch, 104.

¹⁷ Quoting Alexander (1984) in O. Yiftachel, "Towards a New Typology of Urban Planning Theories," *Environment and Planning B: Planning and Design* v. 16 (1989): 35.

doctrine the uncertainty of the planning context necessitates an adaptive and politically aware process. Christensen states:

Different planning theories - and therefore planning processes - address different conditions of uncertainty. Effective planning begins by confronting the problem at hand and assessing the conditions of uncertainty, rather than misapplying theories and methods without regard to particular problem characteristics.¹⁸

In short, Christensen is suggesting that planners should adopt styles and processes suitable to actual problem conditions. To the degree that the planning process is tailored to 'real-world' conditions the planner is acting contingently. Insofar as 'uncertainty' is irrational, according to Christensen, a contingency approach copes with those conditions 'rationally'.¹⁹ In contrast to a pure rational decision-making model which sets a lineal course between means and ends, a contingent approach also recognizes the interrelatedness of decisions and the environment in which they are made. According to Faludi:

[P]lanning has everything to do with....contingencies as we try to come to terms with [planning processes], either by removing uncertainty, or by taking it into account. Planning relates to (a) those decisions which we take, either because the situation forces them on us, or because we want to change that situation deliberately into something more in tune with our wishes; and (b) those taken by others which affect us (thus becoming part of the context in which we take out decisions). In planning we relate all these decisions to each other, thereby trying to make sense of our choices.²⁰

¹⁸ Karen Christensen, "Coping with Uncertainty in Planning," *Journal of the American Planning Association* Winter (1985): 63.

¹⁹ *Ibid*, 68.

²⁰ Andreas Faludi, *A Decision-Centred View of Environmental Planning* (New York: Pergamon Press, 1987)1-2.

While Christensen writes from an urban planning point of view, the contingency approach formed in management and organizational behavior research similarly recognizes and incorporates situational conditions into the planning approach. Tosi and Hamner write:

To survive, the organization must respond, adapt, and cope with the environment. This response - an adaptation - is 'contingent' on the environment. Hence a contingency approach...is based on the premise that organizations must adapt to the complex environments in which they exist. The environments exert very profound pressures on the organization and the organization, through proactive and reactive pressures, finds a form compatible with the pressures.²¹

A contingency approach takes into account the number of factors which will impact on a particular planning decision: first, for example, different theoretical approaches and perspectives involved in a planning decision; second, the realization that decision-making is not normally entirely based upon a single individual; and third, that the objective of a decision analysis may or may not be primarily oriented towards solving a specific problem. Building on the above, contingency factors that are to influence an organizational structure are: (1) the environment within which the organization exists; (2) the technology being used (means of production or service delivery); (3) the age and size of the organization; and (4) the nature of power relationships affecting the organization (both internal and external).²² These factors are also linked to an organization's ability to innovate. For example, Nord and Tucker's research on implementing innovation identify similar factors, with respect to the organization's ability to innovate, that are effected by the organization's structure, history, strategy, size culture, the ability of the organization to learn, and the nature of the organization's relationship with the external environment.²³ These factors are in direct

²¹ Henry Tosi and W. Hamner, eds., Organizational Behaviour and Management: A Contingency Approach (New York: John Wiley and Sons, 1982 3rd edition) 1.

²² Couch, 104.

²³ Nord & Tucker, 13.

correlation to Bolon's community decision-making framework which is examined in the following section.

In the mid-1960's the work of Burns and Stalker on 'mechanistic' and 'organic' organizational structures recognized the influence of the contingent factors on organizational culture, effectiveness, and ability to innovate. The terms mechanistic and organic, according to Nord and Tucker, have taken on simplified meanings for many who use them; mechanistic organizations are bureaucratic, and organic organizations are flexible, with open, cross-functional communication.²⁴ More specifically however, mechanistic organizations tend to be divided into many sub-tasks and individuals who perform the sub-tasks are unlikely to see the relevance of their work of that task. Moreover, hierarchical relationships are stressed by vertical communication lines and the individual's work is controlled by decisions and directives of their superiors.²⁵ Although they are still hierarchical, hierarchy plays a less important role in terms of direction and control in organic organizations; viz. top-level managers are not assumed to be omniscient and formal definition of approaches, duties, and powers are less important in defining what people do than the ongoing interactions among individuals working on the task. All employees, according to Nord and Tucker's interpretation of Burns and Stalker, are committed to the organization as a whole rather than their functional specialties. Burns and Stalker concluded that these systems are better able to innovate than mechanistic ones. Moreover organic structures are more suitable for change not stability.²⁶ These analytical categories are used in the concluding chapter to characterize NPDC.

To be sure, rather than distinguishing between 'good' and 'bad' planning a contingency framework reconstructs the context and intentions of the process. Given the uncertainty of contemporary planning and decision-making, the contingency approach is a method in which to examine and compare different planning models which exist and are

²⁴ Ibid., 14.

²⁵ Ibid., 14.

²⁶ Ibid., 14-15.

emerging, as well as deciding which approach is most appropriate for a given situation. In other words, contingency approaches, whether they investigate organizations or urban planning processes are similar in that, "[c]ontingency theorists examine a wide range of dimensions, seeking to develop relatively complex theories showing which type of... pattern is appropriate for a given cluster of situational factors. "²⁷

Based on this argument Bolon's framework seeks to identify the patterns of community decision-making that tend toward action and those which tend toward inaction. Similarly, in relation to the North Portage project, this practicum research also seeks to identify patterns and success factors of downtown revitalization. The next sub-section is an exegesis of Bolon's approach.

1.2.3 Richard Bolon's Contingency Framework: A Conceptual Scheme of Community Decision-Making

Based on the article "Community Decision Behavior: The Culture of Planning" the following section summarizes the key tenets of Bolon's contingency framework: "Independent Variable Sets Influencing Decision Outcomes". As a praxis oriented approach Bolon's conceptual framework is then applied in chapter four, the case study of the North Portage downtown revitalization project.

The conceptual framework is based on four fundamental variable sets (see figure 2, 3, 4, 5, 6), Bolon describes them as follows:²⁸

²⁷ Vasu, 91.

²⁸ Bolon, 378-387.

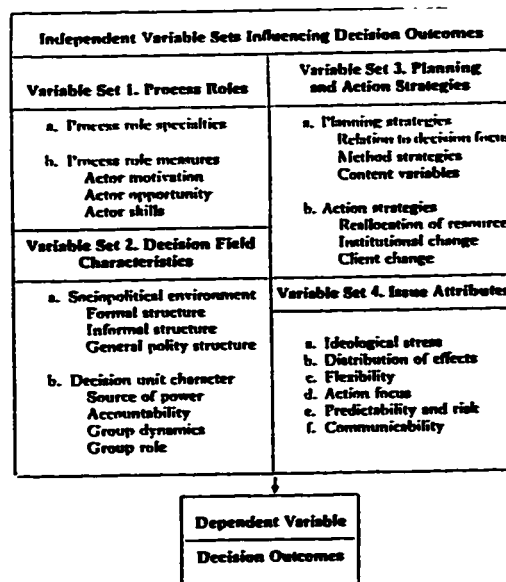


Figure 2
Independent Variable Sets Influencing Decision Outcomes
 Source: Richard Bolon "Community Decision Behavior: the culture of planning"

(1) The Properties of Process Roles:

The Properties of Process Roles describe the key characteristics of the roles that actors play while carrying out the process steps; viz., the hypothesis of this variable set is that the decision outcomes will reflect the values, goals, and interests of those actors who possess the most resources, occupy a favourable position in the decision-making structure, possess the best skills in negotiating decision outcomes, and have the capacity for developing the best tactics and modes of influencing behaviour.

Major Process Roles

Critic	Social-Emotional Expert	Negotiator
Initiator	Strategist	Propagandist
Planner	Organizer	Symbolic Leader
Technical Expert	Spokesman, Advocate	Enforcer
Investigator; Analyst	Mediator, Arbitrator	Evaluator

Figure 3
Major Process Roles
 Source: Richard Bolon "Community Decision Behavior: the culture of planning"

(2) Decision Field Characteristics:

Decision Field Characteristics distinguish between the decision environment and decision unit. The decision environment consists of three factors: formal-legal structure, informal structure, and characteristics of the polity, all of which can influence the decision unit. The decision unit characteristics include the source of power, accountability, group dynamics, and group role.

Decision environment characteristics	Tending toward action	Tending toward function
Formal-legal structure	Focused decision center Highly competent bureaucracy Articulated hierarchy	Dispersed decision centers Incompetent or lacking bureaucracy No hierarchy
Informal structure	Strong party machine Elite or interest group dominance	Nonpartisan Amorphous
Characteristics of polity	Homogeneous Crystallized Tradition-free Striving	Heterogeneous Noncrystallized Tradition-laden Prosperous or settled
Decision unit characteristics		
Source of power	Appointed body	Elected body
Accountability	Large clientele	Small or specialized clientele
	Long term of office	Short term of office
Group dynamics	Socially cohesive Significant reward-punishment schema High status High functional role differentiation	Socially heterogeneous Insignificant reward-punishment schema Low status Little or no role differentiation
Group role	Focused	Comprehensive

Figure 4
Decision Environment Characteristics
Source: Richard Bolon "Community Decision Behavior: the culture of planning"

(3) Planning and Intervention Strategies:

According to Bolon this variable set is the prime concern for planners because it has substantial influence on the nature of community decision-making.²⁹ He states, "It is important to learn, for example, the degree to which one may exercise technical discretion in methods of solving problems and the relationship of those methods to the community decision-making process and structure."³⁰ Bolon argues that, while on the one hand, urban planning is technical, on the other hand, the variables he identifies are clearly oriented toward the political nature of planning. For example, problem definition, the type

²⁹ Bolon, 376.

³⁰ Ibid., 376.

of information, the organizational structure together will, according to Bolon's hypotheses, have a profound effect on the decision outcomes. Based on Bolon's variables, planners must take into consideration the *position*, in terms of attachment to power, the problem solving *method*, and the *content* of the planning strategy which suggests that planning is potentially a more socio-political process than a technical exercise.

Planning strategies	Tending to guide or direct action	Tending to minimum effect on action
Positive variable	Attachment to power center	Independent and advisory
Method variables	Ad hoc opportunism Problem-solving Incremental	Comprehensive Classical focus on inter-dependencies
Content variables	Immediate time horizon Means oriented Selected and focused information	Long-term time horizon Goal oriented Comprehensive information system
Action or intervention strategies	Efforts to maintain distribution of resources Efforts to change or modify individual behavior Efforts to bring about change with existing institutions and organizations	Efforts to reallocate distribution of resources Efforts to change or modify societal behavior Efforts to alter existing institutions and organizations

Figure 5
Planning Strategies and Interventions
 Source: Richard Bolon "Community Decision Behavior: the culture of planning"

(4) Characteristics of a Public Issue:

According to Bolon, the manner and degree to which a public issue is seen and understood will influence decision outcomes; the amount of information associated with the issue, the way it is introduced, and the actors involved in presenting information affect the kinds of decisions which occur. In words, a public agenda whose issue characteristics are, for example, nonideological, have few value conflicts, and are easily communicable will be more likely to positively influence the decision outcome than the reverse of those characteristics.

	Tending toward action	Tending toward inaction
	Nonideological	Highly ideological
Agenda Characteristics	Limited distribution of costs and benefits; limited scope Flexible over time	Wide distribution of costs and benefits; wide scope Irreversible; inflexible over time
	Single focus for action programming Consequences easily predictable Features of issue easily communicable	Dispersed focus for action programming Consequences highly uncertain Features of issue abstract and complex

Figure 6
Public Issues

Source: Richard Bolon "Community Decision Behavior: the culture of planning"

During the decision-making process these variable sets, according to Bolon's framework, interact and influence the character and quality of the decision outcomes.³¹

The purpose of this approach is not to establish a normative theory of what planning *should be*, rather Bolon attempts to describe a system which articulates how planning and decision-making *does occur*. In light of the Bolon's theoretical perspective and the framework characteristics, he describes his approach as behavioral in nature.³²

According to Bolon's hypothesis, the framework is a means of describing and understanding the relationship between planning and decision-making in urban government.³³ Moreover, Bolon's framework focuses attention on the "culture" of planning, viz., the social, political, and economic context in which planning takes place. He states: "...[this] framework should prove useful in extending the theory and 'state of the art' of urban planning in the sense that future planning practice might be more specifically adapted to the sociopolitical culture in which it operates."³⁴ Bolon argues that the 'rational' decision-making model is an ideal type, and therefore does not typify the experience of everyday life. Bolon contends that the context in which decisions are made, or in which

³¹ Ibid., 376.

³² Ibid., 372.

³³ Ibid., 372.

³⁴ Ibid., 372.

business deals are negotiated must be grounded in the social, economic, and political context. For example, Bolon argues that the sequential series of steps, epitomized in the classic rational model, is an ideal type and therefore not attainable in everyday experience. He states:

Individuals seldom have the time or resources to carry out each step in fullest measure. Seldom is information wholly adequate; explicit specification of goals is often lacking; only a few alternative sets of means and ends can usually be considered; the ability to predict all possible consequences is highly restricted; meaningful evaluation for optimizing is difficult; and prior decisions often serve as constraints on the decision at hand. Thus, rationality, at best, is an imperfect process...³⁵

His argument does not oppose rationality per se. Indeed, he suggests that the rational model of planning and decision-making does not offer an 'intelligent' operational system. An intelligent system, he suggests, "....scans and evaluates circumstances and conditions in the community...[and has the capacity to] set goals and plot schemes for achieving goals. It must have integrative mechanisms to handle conflicting demands and balance allocations of limited resources".³⁶ Alternatively, Bolon presents "process steps of rationality" as a conceptual guide which incorporates the decision-making context and is aware of the changeability of that context; viz., Bolon's framework includes planning and decision-making contextual variables and the dynamic interaction between those key variables in the process.

Bolon's contingency framework also suggests "...very strongly the delicate nature of the relationship and the balance between the substance and process of planning."³⁷ Faludi, in the book Planning Theory, also makes the observation that the distinction between theory in planning and theory of planning should not necessarily result in the

³⁵ Ibid., 373.

³⁶ Ibid., 374.

³⁷ Ibid., 376.

separate development of the two.³⁸ He argues that both, in his terms, "procedural" and "substantive" theory, are needed for effective planning. Procedural theories define and justify preferred methods of decision-making (theory in planning), and substantive theories relate to interdisciplinary knowledge applicable to the content of planning (theory of planning).³⁹ Bolon draws the two together, for example, by incorporating substantive into procedural theory in the "issue attributes" variable of the framework.⁴⁰ Bolon refers to this as the "cultural dynamic" of planning. In practice, a planner who restricts planning to practice purely based on technical expertise "...may soon find others' perceptions of his role quite narrow...[and] be viewed as effective but only on certain restricted issues."⁴¹ Conversely, by focusing too much on the substantive side of the decision-making and planning process the planner may be restricted, or marginalized, to play "...symbolic emotional support roles and unduly [hampering] his capacity for professional judgment as to the feasibility of means and ends in any given problem situation."⁴² As a contingency approach, Bolon hypothesizes that the conceptual framework is a method toward developing "...a balance between short-run and long-run vistas, between selective and comprehensive prescription, and toward a deeper understanding of the importance of incremental decision-making and negotiated conflict resolution."⁴³ In that sense, Bolon argues for a pragmatic rationalism which is embedded in the circumstances of the decision-making process. This is an important insight because as we see in chapter five the North Portage redevelopment process was structured to suit the particular needs of the planning and development context.

³⁸ Faludi (1973), 7.

³⁹ Yiftachel, 24.

⁴⁰ Faludi (1973), 7.

⁴¹ Bolon, 389.

⁴² Ibid., 389.

⁴³ Ibid., 390.

1.3 Understanding Theory, Practice, Knowledge

Prior to outlining Schon's concept of the reflective practitioner, the next three subsections will examine the conceptual terrain implicit within his theoretical construct: theory, practice, and knowledge. The purpose of examining the meaning of these concepts is to provide a definitional background for the practicum research final analysis. In other words, insofar as the practicum research examines a downtown revitalization process and the experience of urban development practitioners, the practicum project examines urban planning theory, and the application of knowledge in the practice of urban development.

1.3.1 Theory

We use theory in order to simplify and understand complex phenomena. Theory evolves from experience, observation, viz. it has a research base, and it is dynamic in the sense that it has the ability to encompass new knowledge. As Chris Arygris states: "Theories are vehicles for explanation, prediction, or control". Insofar as not all theories are necessarily accepted, good, or able to explain the depth of a given phenomena, theory nevertheless should ideally share the same general properties and criteria: such as, generality, relevance, consistency, completeness, testability, centrality and simplicity.⁴⁴

1.3.2 Practice

While theory is abstract in nature, viz., it is a system of ideas for explaining a particular phenomenon,⁴⁵ practice is often viewed as separate from theory. Ideally, the relationship between theory and practice is a dialectical one, whereby theory informs practice, and practice informs theory. This dynamic interplay between theory and practice is consecutive because knowledge, and its application, continues within a cycle of learning. This cycle is exemplified in Arygris's theory of practice: "Theories of practice usually

⁴⁴ Chris Arygris, Theory in Practice: increasing professional effectiveness (London: Jossey-Bass Publishers, 1974) 4.

⁴⁵ The Concise Oxford Dictionary. The Third Edition (Oxford: Clarendon Press, 1991).

contain theories of intervention - that is, theories of action are aimed at enhancing effectiveness."⁴⁶ Moreover, he suggests, "a theory of practice, then, consists of a set of interrelated theories of action that specify for the situation of the practice the actions that will, under the relevant assumptions, yield intended consequences".⁴⁷

1.3.3 Knowledge

Like theory and practice, knowledge is a multi-layered concept. Types of knowledge have been categorized as propositional, practical, and experiential. Propositional knowledge is exemplified in theories and models, while practical knowledge refers to the application of skills, or 'know how'; and experiential knowledge is derived from direct and personal interaction with a given phenomena. However, in everyday life, knowledge represents combination of all three.

In this sense, knowledge consists of a number of characteristics and origins. For example, three different types of understandings of everyday knowledge are found in the following concepts: *ordinary knowledge*, *working knowledge*, and *personal practical knowledge*. All three of these concepts acknowledge that 'knowledge', in an everyday functional sense, continually evolves thereby making and remaking 'common sense' of the world.

Emmery defines *ordinary knowledge* as "...knowledge that has been gained through everyday experience and casual empiricism, crudely verified through practical experience or accepted as such, and transmitted through social interaction"⁴⁸

In her research on administrators and policy-makers Kennedy defines "*Working knowledge* [as] the organized body of knowledge that administrators and policy-makers use spontaneously and routinely in the context of their work. It includes the entire array of

⁴⁶ Arygris, 6.

⁴⁷ *Ibid.*, 5.

⁴⁸ Mark Emmert, "Ordinary Knowing and Policy Science," Knowledge: Creation, Diffusion, Utilization 7:1 Sept. (1985): 100.

beliefs, assumptions, interests, and experiences that influence the behavior of individuals at work"⁴⁹

Similarly, Clandinin states that "the conception of *personal practical knowledge* is of knowledge as experiential, value-laden, purposeful, and oriented to practice. Personal practical knowledge is viewed as tentative, subject to change and transient, rather than something fixed, objective and unchanging".⁵⁰ Clandinin's definition "...embodies a dialectical view of theory and practice. In the dialectical view, theory and practice are viewed as inseparable; practice is seen as theory in action."⁵¹ Personal practical knowledge, from the Clandinin's perspective, provides a cyclical view of theory, practice, and knowledge that inherently assumes that concepts, or understanding the world around us, will change and modify according to the shifting exigencies of the practical world.⁵²

The last concept, personal practical knowledge, provides the conceptual construct with respect to the type of knowledge that the practicum investigation sought from practitioners in the North Portage development process. In other words, the North Portage process actors imparted, based on their experience of the North Portage process, their personal practical knowledge. Based on the preceding understanding of theory, practice, and knowledge the discussion now turns to Schon's notion of the "reflective practitioner". Schon's theory is important in the way in which it informed the research design and interview process.

⁴⁹ Mary Kennedy, "Working Knowledge," Knowledge: Creation, Diffusion, Utilization 5: 2 Dec. (1983) : 193-194.

⁵⁰ D. Jean Clandinin, "Personal Practical Knowledge: a study of teachers' classroom images," Curriculum Review 15:4 (1985): 361.

⁵¹ *Ibid.*, 364.

⁵² *Ibid.*, 362.

1.3.4 Donald Schon's Reflective Practitioner

Consistent with the contingency approach principle of relating to theory and practice through "...the pragmatic lessons of real-life experience"⁵³, the next section introduces Donald Schon's concept of the "effective practitioner". In The Reflective Practitioner: how professionals think in action Donald Schon develops a theoretical construct of professional practice and critique of technical rationality. He bases this critique on the rigidity of "professional knowledge" and, as he suggests, the "irrationality" of the so-called Technical Rational model [his capitalization]. He argues that technical rationality is incomplete because it fails to account for the practical competence in "divergent" situations.⁵⁴ Alternatively, Schon suggests that professionals have knowledge which defies "rational" categorization. He states, "[o]ften we cannot say what it is we know. When we try to describe it we find ourselves at a loss, or we produce descriptions that are obviously inappropriate".⁵⁵ In other words, skillful action often reveals "knowing more than we say".⁵⁶ To be sure, Schon's approach points to knowledge gained through experience which is situated in practice. He also suggests, in terms of education, "...we need most to teach students how to make decision under conditions of uncertainty, but this is just what we don't know how to teach"⁵⁷

Schon argues that the reflective practitioner model is designed to create the conditions in which practitioners, as a research source, and researchers, as investigators of experience in practice, can learn from each other. The process of mutual learning is represented in the notions of "reflection-in-action" and "reflection-on-action". Reflection-in-action is the process and alternations that occurs while in practice commonly known as

⁵³ Quoting E. Alexander, "After Rationality What?," Journal of American Planning Association v. 50 (1984): 67-68, in O. Yiftachel, "Towards a New Typology of Urban Planning Theories," Environment and Planning B: Planning and Design v. 16 (1989): 35.

⁵⁴ Donald Schon, The Reflective Practitioner: how professionals think in action (USA: Basic Books, 1982) 49.

⁵⁵ *Ibid.*, 49.

⁵⁶ *Ibid.*, 51.

⁵⁷ *Ibid.*, 11.

thinking on your feet. Schon suggests "....reflection-in-action...is central to the *art* by which practitioners sometimes deal well with situations of uncertainty, instability, uniqueness, and value conflict".⁵⁸ This category recognizes, for example, how decision-making and negotiating, in a real-life context is inherently unpredictable. In other words, adaptability and learning by doing are critical aspects of planning and decision-making. Similarly "reflection-on-action" is a theoretical category wherein practitioners reflect on particular circumstances and explore the understanding that they brought to the original situation.⁵⁹

1.4 Summary and Research Application

The lineal process and absolute relationship between ends and means of the rational model of planning and decision-making is challenged by contingency theory. Contingency theory recognizes and includes the social, political, and economic context in the planning and decision-making process. By drawing from a variety of planning and decision-making models, for example, management and organizational behavioral research, a contingency framework is not bound to a certain disciplinary conceptualization of the problem or the solution. To be sure, the North Portage process, which brought together different skills and expertise from both the private and public sector, exemplifies an interdisciplinary project.

As a contingency approach, Bolon's pragmatic rationalist conceptual framework recognizes the interrelateness of actors, organizational design and authority, planning strategies, and issue representation. The interrelateness of all these variables and the dynamic interaction ultimately impacts upon the decision outcome. These insights are relevant for understanding the practice of downtown revitalization because among the characteristics of the planning and decision-making process is that development projects occur in a relatively unstable environment, projects require the coordination of many actors

⁵⁸ Ibid, 50.

⁵⁹ Donald Schon, The Reflective Practitioner: how professionals think in action (USA: Basic Books, 1982) 61.

(often with disparate needs), and projects rely on both market and political conditions. Within each variable category the framework suggests characteristics, or patterns, which "tend toward action" and "tend toward inaction". These variable characteristics have therefore been applied as analytical tools in the analysis of the North Portage revitalization process. The variable sets are also used, in addition to making sense of the process, to assess the strengths and weakness of North Portage based on the project goals. Finally, Bolon states that the framework is a work in progress and therefore needs additional verification based on other planning experiences. As such the final chapter adapts Bolon's framework into a contingency matrix of the North Portage development process. This matrix, based on the research findings, considers key success variables and factors of the North Portage project.

The second theoretical thrust of the practicum research is the application of Schon's reflective practitioner. Used heuristically, Schon's "reflection-in-action" and "reflection-on-action" provided a theoretical construct to guide the interview process. In other words, as a heuristic device, Schon's "reflective" categories served as a discovery mechanism in which to creatively explore the experiences of urban development practitioners from both the public and private sector. Using an opened-ended questioning process, the key informants were asked, implicitly within the body of the question, to consider what they *knew* in practice. In other words, they were asked to reflect on: 1) their personal practical knowledge; 2) how or if they adapted their methods to suit an aspect or context of the North Portage project; and 3) what did they in retrospect learned in practice. In addition to learning about the 'facts' of the planning and development process, the researcher learned about the practitioner's "...repertoire of expectations, images, and techniques", as well as understanding how the practitioner "....learns what to look for and how to respond to what he finds".⁶⁰

⁶⁰ Ibid., 60.

1.5 The North Portage Problem

In early 1980's when the North Portage project was initiated downtown disinvestment, physical decay, and a negative public image were persistent problems for downtown Winnipeg. Despite various planning programs and approaches neither public nor private sector investment alone had been able to reverse the decline which had occurred over the previous fifty years.

In order to address this problem the federal, provincial, and municipal government formed a partnership with the intent of sharing costs and responsibility of redeveloping North Portage. The objective of the North Portage project was to: 1) stimulate job creation and increase employment activity in the development area; 2) to encourage the participation of the private sector to complement public projects in the development area in order to stimulate new private investment; 3) to maximize overall investment through a mix of recreational, cultural, commercial, and residential uses in addition to other components which would attract people to the North Portage area. Establishing public-private partnerships was a critical aspect the success of the plan. The North Portage redevelopment approach, according to the original vision, would enhance the economic and social viability of the downtown area.

1.6 Research Objectives and Research Questions

The first purpose of research for this practicum is to generate knowledge about the interdisciplinary nature of downtown revitalization. In practice, downtown revitalization involves both governmental and non-governmental actors. These actors consisted of not only professional urban planning practitioners, but also included actors from other professions and the community who bring various types of expertise and skills to the planning process. In terms of public-private partnerships, it is clear these arrangements offer both opportunities and present challenges to plan-making and decision-making processes.

The second purpose of the practicum research is to examine such organizational innovations in the North Portage project as the structure of the North Portage Development Corporation, the tri-level partnership between the federal, provincial, and municipal governments', and the manner in which the private sector was encouraged to invest in the project. In light of the fact that a regulatory framework had not been able to accomplish this task, it is important to analyze the success factors, and in retrospect, the lessons learned from the North Portage process. Based on the North Portage experience and the literature review, this analysis will contribute to urban planning practice by identifying key economic and organizational 'tools' of downtown revitalization. Moreover, in terms of urban planning, this investigation will contribute to planning practice in three ways:

1. It will identify the type and use of current planning and development tools in the practice of downtown revitalization;
2. It will identify the problems and issues confronted by revitalization practitioners;
3. It will articulate general principles of practice for application to other downtown revitalization processes.

Specific questions to be addressed by the research are:

1. What are the role and function innovations (economic & organizational) in the planning and development process of public-private partnerships in downtown revitalization?
2. What are the definitive characteristics of contemporary downtown revitalization and how are 'the conditions' for private sector investment created and sustained?
3. What are the differences and modifications in the planning and development process when the private sector and the public sector work together to revitalize a declining downtown area?
4. What is the emergent role and function of public-private partnerships in contemporary urban development (in the planning, financing and implementation process) when those public-private resources and skills are brought together? In

comparison to traditional regulatory regime, how does the working relationship differ? How does this effect the outcome of the planning decisions and the overall project?

5. Based on prior Winnipeg redevelopment experiences, in what fundamental ways was the North Portage different?
6. What can this experience contribute to the practice of downtown revitalization specifically, and urban planning in general?

1.7 Practicum Organization

This introductory chapter has provided some necessary background with respect to the role of urban planning theory and the objectives of this case study. To set the broad context for the study, chapter two provides an historical analysis of Canadian downtown redevelopment. I argue that downtown centres are no longer the centre of all commercial, industrial, and retail activity, rather they are redefining themselves in the context of technological and economic structural change, demographic shifts, and in relation to suburban competition. This hypothesis is situated in an analysis of the evolution of postwar Canadian urban form and in the context of urban renewal and downtown revitalization.

Chapter three provides an examination of downtown revitalization in terms of theory and practice. Here I sketch out the terrain of downtown revitalization in terms of the core principles and debates associated with this strategy. I argue that urban development corporations and public-private partnerships are key components in the practice of downtown revitalization. I also examine the critical concepts associated with both urban development corporations and public-private partnerships; these concepts contribute to the analysis of the North Portage revitalization process. Together chapter two and three detail the phenomena of downtown decline and the subsequent development responses by both the public and private sector.

Chapter four is a synopsis of the practicum methodology. This chapter briefly describes and explains the rationale for using case study methodology as the research

method of the North Portage investigation. This chapter also details the research design and research process which includes the participant selection, participant contact, interview process, and analytical technique.

Chapter five is divided into two parts. The first part, like chapter two, situates the North Portage experience in historical context. The purpose of this chapter is to obtain a clear understanding of the phenomena impacting upon postwar downtown Winnipeg. The findings suggest that a slow growth economy, fiscal restraint, unresponsive institutional structures, and an inflexible regulatory framework are among the reasons for the decline of Winnipeg's central business district. Part I concludes by introducing the original development vision and organizational framework of the North Portage project. Part II of this chapter specifically uses the 'reflections' of the practitioners to complete 'the story' of the North Portage revitalization process. Applying Bolon's analytical framework, this part analyzes the case study material within each variable set, in addition to incorporating the concepts from preceding chapters. The chapter concludes with Bolon's *process outcomes* category. This last section assesses North Portage based on its own development vision. It suggests that while the project was successful in completing the physical redevelopment of the site and in stimulating the anticipated private sector investment, the project has been less successful in creating the type of vital and safe area they had hoped for.

In conclusion, chapter six characterizes the North Portage revitalization project as a contingent approach and identifies the key lessons which emerged out the process; these lessons are based on the reflections of the practitioners. These findings provide the material for modifying Bolon's contingency framework into a matrix based on the North Portage experience. This matrix is a comprehensive view of the key variables and factors of the process. The matrix is specific to the North Portage experience, however it does provide a generic overview of the process which may also be relevant to other locations. To be sure, further research is necessary in order to establish a solid framework which could be applicable to other downtown areas. Finally, the chapter concludes by arguing that while

the North Portage project was simultaneously exemplary of a 'classic' revitalization process, it was also innovative in terms of being able to adapt to the development context. To be sure, the North Portage project exemplifies contemporary practice and therefore suggests that further research ought to examine the new alliances between the public sector and non-governmental actors. The purpose of further research is to introduce additional modifications into the planning and development process in order to address the weakness and criticisms of public-private partnerships in the context of downtown revitalization.

Chapter Two

Canadian Downtown Development: From Renewal to Revitalization

2.0 Introduction

This chapter broadly identifies both the social and economic conditions which have effected Canadian city centres since World War II. In the fifty years since World War II Canadian urban areas have experienced unprecedented growth. Postwar economic expansion, consumer consumption, supportive public policy, in addition to the so-called 'baby boom', are key factors in the growth of Canadian urban areas, especially suburban growth. During this period downtown centres have also experienced significant change and have struggled to redefine their role and function within the urban fabric. No longer the centre of all commercial, industrial, and retail activity contemporary downtown is redefining its role within the context of technological change, demographic shifts, and the continuing competition from suburban locations. In relation to this phenomena, this chapter examines Canadian redevelopment history in the context of urban renewal and downtown revitalization. This background provides the basis for a clear understanding downtown revitalization as a redevelopment response to changing economic circumstances of city centres, social shifts, and government policy. While the pace of development of prairie cities is distinct in terms of the slow economic and population growth, in comparison to high growth regions in Canada, the forthcoming overview is still very relevant since the general urban development patterns of the prairies are still consistent with other cities across the country.

The first section of this chapter argues that 'downtown', conceptually and physically, has a new role and function as a financial, cultural, and entertainment amenity. Downtown revitalization, as a redevelopment approach, is linked to this changing role insofar as it is a strategy designed to cope with that transition, however, at the same time, it also encourages the shift towards making downtown into an amenity district. It is important

to understand how this emerging role and function is, on the one hand, a key element in the dominance of some so-called world-class cities, while, on the other hand, it is also a struggle for other cities, especially in their downtown areas, to keep up with this change. This effort is especially evident in a mid-sized city such as Winnipeg.

The second section is a chronological overview of the four phases of Canadian urbanization in the context of social, economic, and political change. These changes have had a significant impact on the shape and constitution of Canadian urban areas, and in particular the strength of downtown within the larger urban fabric.

The third section outlines the key principles and criticisms of urban renewal. The fourth section completes the chapter by emphasizing the critical factors which facilitated the transition from urban renewal to downtown revitalization. The negative experiences of 'top-down' expert-driven urban renewal programs are linked to the emergence of community activism and the subsequent creation of programs which dealt more specifically with neighborhood needs. Moreover, the political fallout from urban renewal and the public sector fiscal crisis created the need for greater cooperation and sharing of resources and responsibility between the public and private sector. While much of the Canadian literature has a distinctly economic perspective it is important to note that the aforementioned social and political factors, with respect to the Federal government decreasing their role in urban affairs, also played a key role in the transition from renewal to revitalization. To be sure, as one author comments, "[a]lthough downtown redevelopment is clearly a major political phenomenon, and much has been written about it, it has not been given much serious attention in the academic literature on politics, either in Canada or elsewhere."⁶¹

Together these four sections provide the background the following discussion on downtown revitalization in chapter three as a part of an evolution of urban redevelopment history. In other words, by identifying the key issues of growth and decline the analysis

⁶¹ Chris Leo & Robert Fenton, "Mediated Enforcement' and the evolution of the state: development corporations in Canadian centres," source unknown: 185.

illustrates how social, political, and economic conditions have facilitated the evolution of Canadian downtown development. As Holcomb and Beauregard comment, "...urban form is not a result of natural or inevitable processes. Rather cities are shaped over time by political, economic, and social forces reflected in organizational and individual decisions, [and] government is one of the powerful actors in this unfolding drama".⁶²

2.1 Reconstituting the Role and Function of Downtown

Urban areas are never static, they are constantly changing: either by expanding, contracting or by undergoing internal restructuring in response to economic and social pressures. As Pagano and Bowman comment: "Cities, like any social organization, are constantly becoming, emerging. The old city dies, in a figurative sense, a new one takes its place."⁶³ Central cities throughout North America are struggling to adapt to deindustrialization, globalization, and competition pressures which range from suburban competition to competition from countries and cities across the other side of the globe. That is, cities are "... in the frontline of the multifaceted destructuring and recomposing of contemporary western societies".⁶⁴ Within these broad trends the traditional city, based upon a strong centre ringed by a less important periphery, has been replaced by the multi-nodal urban region.⁶⁵ In other words, the hierarchy of centres (city centre, district centre, and neighbourhoods) which was the context for mid-century city planning, has been transposed by the "edge city".⁶⁶ Instead of an 'in-out' journey to the city centre to work, as the commuting pattern has traditionally been conceptualized, employees and businesses more often travel from suburb to suburb.

⁶² H. Holcomb & R. Beauregard, Revitalizing Cities (Resources Publications in Geography, 1981] 5.

⁶³ Micheal Pagano & Ann Bowman, Cityscapes and Capital: the politics of urban development (London: The John Hopkins University Press, 1995) 20.

⁶⁴ Pasty Healy et al. eds., Managing Cities: the new urban context (New York: Wiley, 1995) 275.

⁶⁵ Healy, 5.

⁶⁶ See, Joel Garreau, Edge City (New York: Doubleday, 1991).

Susan Fainstein argues that global economic restructuring, which includes the transition from manufacturing to services, the concentration of institutions and the decentralization of production, has, and will continue to, profoundly effect the economic basis of cities.⁶⁷ Fainstein's thesis is closely connected with the central tenets of post-Fordism. Post-Fordism suggests that the decline of the Fordist city, characterized by mass production and mass consumption, and rise of the post-Fordist city has had a profound impact on the spatial organization of urban regions.⁶⁸ The post-Fordist city is dominated by three critical factors: increased automation; the adoption of flexible forms of production; the emergence of the service sector; and the relocation of production facilities to low income regions and countries.⁶⁹ In other words, the post-Fordist city, which began to emerge after W.W.II, creates an unstable socio-economic context whereby city governments are under continuous pressure to "...help workforces adjust to change [by] continuously producing new sites and locations to attract companies while coping with consequences of abandoned sites, [and] reorganizing infrastructure to ensure new spatial patterns..."⁷⁰

In the 1970s structural change "...in the inner core, and the decline in manufacturing [was] both relative and absolute. This deindustrialization of the core is partly related to the phenomenon of growth and the lack of space for expansion in the core; but it also reflects the broader malaise that has afflicted many Western industrialized countries".⁷¹

⁶⁷ Susan Fainstein, "Economics, Politics and Development Policy: the convergence of New York and London," in John Logan & Todd Swanstrom, eds., Beyond City Limits: urban policy and economic restructuring in comparative perspective (Philadelphia: Temple Press, 1990) 120.

⁶⁸ Robert Beuauregard, "Capital Restructuring and the New Built Environment of Global Cities: New York and Los Angeles," International Journal of Urban and Regional Research 15:1 (1991): 93.

⁶⁹ Pierre Fillon, "Fordism, Post-Fordism and Urban Policy-Making: urban renewal in a medium-size Canadian city," Canadian Journal of Urban Research June (1995): 45.

⁷⁰ Healey, 275.

⁷¹ C. Byrant, "Economic Activities in the Urban Field," in P. Coppack. et al., ed., Essays on Canadian Urban Process and Form III: the urban field (University of Waterloo: Dept. of Geography, 1988) 71.

¹¹ P. Coppack, "The Evolution and Modelling of the Urban Field," in P. Coppack. et al. ed., Essays on Canadian Urban Process and Form III: the urban field (University of Waterloo: Dept. of Geography, 1988) 15.

During that period urban planning theorists' wrote about the new "ecological unit". This new ecological unit was composed of,

....a vast multi-centred region having relatively low density, whose form evolves a finely articulated network of social and economic linkages. Its many centres are set in large areas of open space of which much is given over to agriculture and recreation use. The core city from which the urban field evolved is beginning to lose its traditional dominance; it is becoming merely one of many specialized centres in the region.⁷²

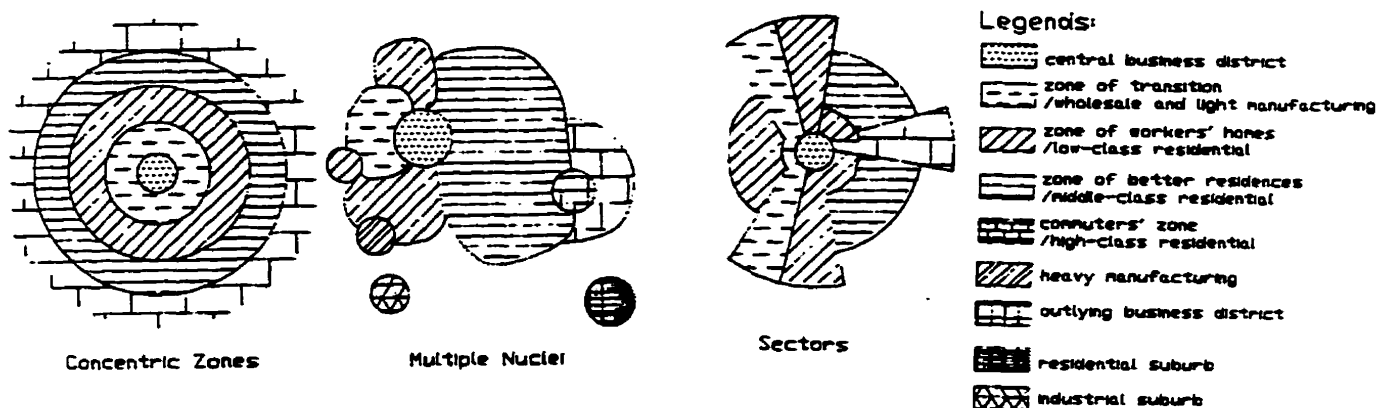


Figure 7
Classical Explanations of the Urban Spatial Structure
 Source: Hok-Lin Leung Land Use Planning Made Plain

Similarly, while not addressing urban form specifically, Daniel Bell argues that technological change significantly impacts the socio-economic conditions of society. For example, in the book The Coming of the Post-Industrial Society: a venture in social

planning (1973) Bell characterizes post-industrial society in contrast to an industrial society: "If an industrial society is defined by the quantity of goods as marking a standard of living, the post industrial society is defined by the quality of life as measured by the services and amenities - health, education, recreation and the arts - which are now deemed desirable and possible for everyone."⁷³ The transition to a so-called post-industrial society, as Bell suggests, is exemplified in the growth of the service oriented lifestyle consumption. To be sure, the emergence of lifestyle consumption and changes in modes of production ultimately impacts upon urban form. This is manifested in the changing role of central business districts (CBD) within the urban hierarchy. In other words, as CBD's experience social and economic decline, they are also at the cusp of restructuring their function in relation to other areas of the city. In other words, Bell's statement anticipates the emergence of downtown as a financial, entertainment, and cultural amenity.

To be sure, in the late 1970's and early 1980's, CBD downtown revitalization strategies responded to the disappearance of local manufacturing and the crisis of government finances by turning to market-led strategies. These strategies focused on the symbolic culture of downtown. In the words of Sharon Zukin: "The growth of cultural consumption (of art, food, fashion, music, tourism) and the industries that cater to it fuels the city's symbolic economy, its visible ability to produce both symbols and space."⁷⁴ According to Zukin, the symbolic economy is a symbiosis of image and product which speaks for and represents the city.

In practice Zukin's analysis of the symbiosis of image and product is exemplified by neighbourhood gentrification. In the mid-1980's the gentrification process, generally led by young urban professionals, initiated a revival of central parts of cities. The use of 'authentic' culture and heritage, in comparison to suburban development, was an important

⁷³ Quoted by P. Coppack, "Forces of Change," in P. Coppack. et al., ed., Essays on Canadian Urban Process and Form III: the urban field (University of Waterloo: Dept. of Geography, 1988) 37.

⁷⁴ Sharon Zukin, The Cultures of Cities (Cambridge: Blackwell Publishers, 1995) 2.

factor in the revitalization of older downtown neighbourhoods. As a lifestyle oriented demographic with consumer power, revitalization schemes attracted 'new households' back downtown. As Hitters comments: the "...new elite is composed of business executives, people with a wide range of cultural functions, and higher public officials. They constitute a new market for luxury apartments in the city centres. They thrive in the inner city because for them arts and culture form part of their urban lifestyle."⁷⁵ Gentrification specifically, and downtown revitalization more generally, illustrates how each approach focuses on reinventing downtown as an amenity area.

To be sure, 're-presenting' the downtown as a commodity, based on an image built around arts, culture, entertainment, is a key feature and strategy of downtown revitalization. However, research on the gentrification process, in Canada, the United States, and Europe, remains cautious about the actual benefits and distributive capacity of gentrification. For example: "All things considered, the data suggest that gentrifying trends are probably expanding the size and number of middle-to-upper-income enclaves....in some large cities, without raising city incomes enough to establish a new trend toward convergence of city and suburban income levels."⁷⁶ Moreover, the gentrification process is linked as the cause for displacing low-income residents from older urban neighbourhoods. Although an involved discussion of gentrification is not the intention of this paper, it is, however, an important variable in downtown revitalization strategies. As Hitters states, "[t]he development of cultural life in the city is placed against the background of the economic transformation of the city, the expansion of the government's cultural policy and the cultural changes in the urban environment."⁷⁷ While this discussion of gentrification broadly defines the phenomena, it is clear, however, that the concept of gentrification is not necessarily applicable to all urban areas. This qualification is important

⁷⁵Leon Deben, Sako Musterd & Jan van Weesep, "Urban Revitalization and the Revival of Urban Culture," *Built Environment* 18:2 (1992): 87.

⁷⁶ Quoting Long and Dahmann in Leon Deben et al. , 87.

⁷⁷Erik Hitters, "Culture and Capital in the 1990's: private support for the arts and urban change in the Netherlands," *Built Environment* 18:2 (1992):112.

for our examination of downtown revitalization in Winnipeg since a gentrification process in the downtown area is not evident. Indeed, as chapter five outlines, downtown Winnipeg has not enjoyed an extensive residential revival. Nevertheless, an understanding of the phenomena is applicable because repopulating downtown areas is fundamental to downtown revitalization, and in that sense, was also an objective of the North Portage revitalization process.

The next section outlines four key phases of Canadian urban development history. This history provides important background for understanding the evolution and change which has occurred in Canada over a relatively brief period. Moreover, this background enables a greater understanding of how development responses by both the public and private sector to urban phenomena are inter-connected; moreover, it also suggests that seeking alternative responses, in relation the conditions of a post-Fordist economy, is ongoing in Canadian urban development.

2.2 Four Phases of Canadian Urbanization: Growth and Prosperity, Suburbanization and Downtown Decline

In the fifty year period following World War II Canadian cities, like many throughout North America, have undergone significant social and physical transformations: the rise of urbanization, central city decline, the birth the suburb, and the transformation of downtown as a financial, entertainment, cultural amenity. In Canada the economic and demographic boom between 1941 and 1951 stimulated a 51% growth rate in Canadian cities.⁷⁸ The intensity of urban growth over such a short period of time is, according to Gerald Hodge, connected to four key factors:⁷⁹

1. Urban populations increased due to migration from rural to urban areas and immigration from abroad;
2. A dramatic natural increase in the population due to the "baby boom";

⁷⁸ Gerald Hodge, Planning Canadian Communities (Toronto: Methuen, 1986) 68.

⁷⁹ *Ibid.*, 68.

3. Economic growth contributed to income increases and consumer spending power - the catalyst for purchasing housing and amenities;
4. The expansion of automobile usage.

Societal Phase	Metropolitan Change	The Role of the Inner City
Industrial: Production-oriented <ul style="list-style-type: none"> - Large proportion of blue collar employment - Working-class incomes lower than that of other classes - Predominance of family values - Low women participation in the labour force - High birth rates - Low overall consumption levels 	<p>The inner city still occupies a large proportion of the metropolitan region. High density within urban areas and important reliance on public transportation, in particular on the street car.</p>	<p>Cumulates all urban functions. Principal location of offices, industries, retail outlets, institutions. Residential area for all social classes with a predominance of the working class.</p>
Industrial: Mass Consumption <ul style="list-style-type: none"> - Large but decreasing proportion of blue collar employment - High productivity, increasing wages; many workers join the middle class - Predominance of family values - Low but growing female participation in the labour force - High birth rates - High consumption levels involving the purchase of industrial goods 	<p>Urban explosion, fall in overall densities. Important road and expressway investments accompanied with an exponential growth in car use. Population, industry and retail locate massively in suburbs. Growing distinction between inner and outer urban form.</p>	<p>Mass exodus of industries and middle-class residents. The inner city is ill-adapted to mass consumption. The CBD preserves its office and retail functions. High income areas are stable. Middle-class residents are often replaced by immigrants.</p>
Post-Industrial <ul style="list-style-type: none"> - Simultaneous deindustrialization and growth in service sector employment - Stagnant productivity and incomes - Decline in family values - High female participation in the labour force - Low birth rates - High consumption levels involving increasingly the purchase of services 	<p>New suburbs are increasingly distant from the CBD. Traffic congestion is on the rise. Denatification of suburbs.</p>	<p>Important employment growth in the CBD. The inner city is adapted to the requirements of a service-oriented lifestyle. Inner-city living becomes attractive for many managers in the CBD. Replacement of lower income residents.</p>

Table 1
Societal, Metropolitan and Inner City Change
Source: Trudi Bunting & Pierre Filion, The Changing Canadian Inner City

Similarly, based on their research on the changing character of the Canadian inner city, Bunting and Filion identify three evolutionary phases of Canadian urbanization.⁸⁰ The first phase, until the mid-1950s, was characterized by low wages, hence low consumption levels, and low productivity. During this period wages were committed to basic necessities such as food, housing, and transportation (usually pedestrian or public transport). Though slightly more cautious than Hodge's characterization, Bunting and Filion concur with his claim that the focus on the family and a growing anti-urban, or dichotomy between the rural and urban, is an emerging sentiment of this era. The second phase, in the 1950s and 1960s, was the "industrial phase". In contrast to the first phase, this era brought higher wages, increasing productivity, and the formation of a growing middle class. These

⁸⁰ Trudi Bunting & Pierre Filion, "Introduction: the movement toward the post-industrial society and the changing role of the inner city," in Essays on Canadian Urban Process and Form IV. The Changing Canadian Inner City, Trudi Bunting and Pierre Filion, eds., (Department of Geography, University of Waterloo, 1988) 8-14.

conditions ushered in lifestyles oriented to consumer consumption which included suburban homes, cars, and other luxury items. As in the previous phase, the high birth rate continued and, accompanying the growth of young middle-class families, came the "...pervasive belief that suburban locations were ideal for child rearing and family life".⁸¹ To be sure, access to shopping malls, public amenities, and proximity to employment found in industrial parks were key factors that replaced the central city as a desirable living location.

The last phase of Bunting and Filion's chronology is the period spanning the 1960s, 1970s and into the 1980s. During this period Canadian society transformed into a so-called "post-industrial" society. This transformation is economic in nature and penetrates, according to the concept, the very core of society by influencing employment, family composition and consumption patterns.⁸² Emerging trends such as a work force increasingly composed of women, modest service sector wages, a growing gap between professional earnings and minimum wage earners, and the simultaneous decline in manufacturing and rise in service sector employment are factors which characterize a "post-industrial" society.⁸³

Insofar as the authors link the three phases of socio-economic change to the transition to a post-industrial society, their analysis ultimately traces these macro shifts back to the conditions of the inner city. For example, in the first phase the central city fulfilled social and economic needs of the urban population: all offices and retail outlets were located in the core, and the inner city neighborhoods, while home to low-income and immigrant groups, were also home to middle and upper income residents.⁸⁴ However, at the end of

⁸¹ Ibid., 8.

⁸² Ibid., 9.

⁸³ Ibid., 8.

⁸⁴ Ibid., 12.

W.W.II, with rapid growth in production and changing production methods the central city was profoundly effected; viz., changes in production technology required locations which would accommodate horizontal assembly line, hence companies moved out of the inner city to large inexpensive sites.

The three phases of Canadian urbanization illustrate the evolution of the city, in response to fundamental technological and socio-economic changes, and how "...the downtown of the central city [was] no longer the only important centre of activity".⁸⁵ A fourth phase, however, could also be added to the authors' analysis. This last phase would illustrate the emerging role of downtown areas as financial, entertainment, and cultural amenity. As Zukin comments, "...even [in] the 1960s, new or restored urban shopping centres from Boston to Seattle copied suburban shopping malls by developing clean space according to a visually coherent theme....[the] urban commercial culture became 'entertainment', aimed at attracting a mobile public of cultural consumers."⁸⁶ In other words, the desire to entice suburbanites back into the downtown area began by attempting to directly copy the suburban development formula. However, with greater sophistication, by the late 1970s and early 1980s downtown revitalization schemes capitalized on a critical resource: the cultural capital available in downtown areas represented in, for example, waterfronts and derelict factories. This last phase includes the provision of a unique, in comparison to suburban retail facilities, experience by linking public culture to commercial culture. In Canada this phenomenon is exemplified in revitalization projects such as Granville Island and Lonsdale Quay in Vancouver, and in Winnipeg, the North Portage project in the downtown area and The Forks Market along the Red River.

Building on the background of the four phases of Canadian urbanization the remainder of the chapter outlines urban renewal and identifies the critical factors in the

⁸⁵ Hodge, 70.

⁸⁶ Zukin, 19.

transition to downtown revitalization. Both of these responses, it is argued, are publicly-led strategies, to a greater or lesser degree.

The next section describes the fundamental planning and decision-making principles of urban renewal. This discussion situates urban renewal principles in the social, political, and economic context of the period. Moreover, the discussion suggests that the situational factors that influenced urban renewal ultimately changed thereby creating a new set of conditions for the transition to downtown revitalization. Chapter three addresses the core theoretical, economic, and organizational principles of downtown revitalization.

2.3 Canadian Urban Renewal

Before the suburbanization process became completely entrenched in the Canadian urban landscape, so-called "urban blight" was an issue in Canadian inner cities. Yet prior to attending to the inner city the federal government took a lead role in the 1940's by promoting the suburban property industry.⁸⁷ Anticipating that the return of veterans to civilian life would substantially increase housing demand the government proposed initiatives that would stimulate private enterprise.⁸⁸ It is important, according to Chris Leo, to understand the supportive role that public policy played in suburban development. For example, Leo argues that the amendment to the Federal Insurance Act allowed insurance funds to flow into housing finance thereby freeing a large pool of capital "...which in turn helped a generation of Canadians to mortgage their way into their private suburban paradises".⁸⁹ Leo's research connecting suburban growth and inner city decay suggests that the massive influx of infrastructural investment for suburban development was never adequately replicated in the inner city. He states: "Rarely if ever is the value of suburban development questioned....but deteriorating transit systems, inner-city decay, and

⁸⁷ James Lorimer, The Developers, (Toronto: James Lorimer and Company, 1978)16.

⁸⁸ Chris Leo, "The State in the City: a political-economy perspective on growth and decay," in James Lightbody, ed., Canadian Metropolis: Governing our Cities (Toronto: Copp Clark Ltd., 1995) 27.

⁸⁹ *Ibid.*, 31.

crumbling infrastructure nevertheless stand as mute testimony to the cost of suburban development".⁹⁰ It is important to understand the key role suburban expansion, facilitated by accommodating public policy and a willing market, is to Canadian urban decline and the eventual measures taken to infuse capital and investment confidence back into downtown areas. For example, in "An Appraisal of the Urban Renewal Program in Canada" Pickett argues that the one underlying objective of the urban renewal program was to create the conditions which would draw private investment back into the downtown area: "...there was little incentive for private companies to divert energies and capital from the buoyant suburban housing boom to the high risks of replacing pockets of substandard housing set in a dubious environment".⁹¹

Canada's urban renewal program was conducted in two distinct phases, from 1944 to 1964 and 1964 to 1973.⁹² The first phase parallels the postwar Fordist economic boom. During this period the economy was thriving and the public sector public sector was fiscally confident. As such, the government was prepared to fund large-scale renewal projects. The second phase represents the initial phase of the post-Fordist economy. In other words, the public sector began to experience, on the one hand, fiscal restraint and the impact of changing modes of production, while on the other hand, they were faced with emerging socio-political opposition to top-down large scale development prospects by community activist and resistance to urban renewal.

In 1941 the federal government convened a sub-committee of the Advisory Committee on Reconstruction (the Curtis Committee) dealing with housing and planning matters. Noting the extensive "...congestion, deterioration, misuse and blight in Canadian

⁹⁰ Ibid., 33.

⁹¹ Stanley Pickett, "An Appraisal of the Urban Renewal Programme in Canada," in Urban Renewal: papers presented at the inaugural seminar of the Centre for Urban and Community Studies (University of Toronto, 1968) 223.

⁹² P.J. Smith, "Cities as a Social Responsibility: planning and urban form," in Larry Bourne & David Ley, eds., The Changing Social Geography of Canadian Cities (Montreal: McGill-Queen's University Press, 1993)358.

communities", the committee suggested a broad-scale housing program.⁹³ The first phase of urban renewal came out of the concern for the slum housing problem in the 1930s and 1940s. Rather than focusing on rehabilitation, the solution was to tear down the slums and build entirely new housing. In 1948, under the National Housing Act, the Regent Park North project in Toronto was built.⁹⁴ After the first project in 1948 through to 1968 the Canadian Mortgage and Housing Corporation (CMHC) spent approximately \$125 million on 48 projects of the urban renewal program.⁹⁵ Hodge states that the reason for the urban renewal program, beyond social housing, was "...an effort to restore the commercial attractiveness of downtown areas and not lose the investment [it] represented".⁹⁶ In other words, while the explicit purpose of the program was to build housing for the poor, the urban renewal program also effectively satisfied business interests by clearing blighted areas at the edge of downtown for commercial redevelopment.⁹⁷ In the late 1960s in an article entitled "The Conceptualizing of Urban Renewal" David Wallace commented that Canadian urban renewal projects "...[had] been initiated as a the result of local pressure to get rid of the worst blight first, to satisfy special interest groups, to clear the area with greatest market potential, or to combine renewal with other capital improvement programs".⁹⁸

By the late 1960s Canada's urban renewal program, like its American counterpart⁹⁹, experienced significant resistance from citizen-led groups organizing against

⁹³ Hodge, 100.

⁹⁴ Smith, 358.

⁹⁵ Tom Carter, "Neighbourhood Improvement the Canadian Experience," in R. Alterman & G. Cars, eds., Neighbourhood Regeneration: an international evaluation (New York: Mansell, 1991) 10.

⁹⁶ Hodge, 133

⁹⁷ Peter Hall, Cities of Tomorrow: an intellectual history of urban planning and design in the twentieth century (Oxford: Blackwell, 1988) 228.

⁹⁸ David Wallace, "The Conceptualizing of Urban Renewal," Urban Renewal: papers presented at the inaugural seminar of the Centre for Urban and Community Studies (University of Toronto, 1968) 248.

⁹⁹ With larger cities and more extreme levels of poverty, in 1949 the United States also embarked on massive federally supported programs as a means to reconstruct blighted urban areas.

renewal projects. Canadian urban planning practitioners faced angry and informed citizens who's chief interest was to preserve and protect their neighbourhoods from the bureaucracy and bulldozers of urban renewal. Across Canada protests were organized, for example, against the Spadina expressway of Toronto, the Milton-Park project in Montreal, renewal of the Strathcona neighbourhood in Vancouver, and the Portage and Main redevelopment in Winnipeg.¹⁰⁰ It was not until 1968 that the Federal government froze the urban renewal program.¹⁰¹ The federal government did however, continue to finance ongoing projects.¹⁰² Lastly, it must be noted that even at the beginning of the program public protest was present; in fact, in 1945, well before the community activism of the 1960s and 1970s, the first serious resistance to the practice and principles of urban renewal occurred at the original Canadian urban renewal project, Regent Park North.¹⁰³

The urban renewal program is generally characterized as a "top-down" "expert driven" driven program. As such, the program was accused of having narrowly focused priorities and ignoring fundamental social and economic issues at the neighbourhood-level. Instead, according to evaluations, urban renewal projects focused on highways and commercial development, homogeneous public housing and site clearance. Often these sites remained empty.¹⁰⁴ As a bureaucratically driven program one of the key issues was the absence of a hands-on coordinating entity to oversee each project. Although municipal planning departments were responsible for the implementation of the programs, often the projects were an addition to regular planning responsibilities. Moreover, the distinct separation between the public and private sector, for example, city planning departments kept their distance from developers in the planning process, was counter productive. The result was the creation of a collection of projects rather than a comprehensive program

¹⁰⁰ Smith, 356.

¹⁰¹ Pierre Fillion, "Factors in Evolution in the Content of Planning Documents: downtown planning in a Canadian city, 1962-1992," *Environment and Planning B* v. 20 (1993): 463.

¹⁰² Carter, 11.

¹⁰³ Lorimer, 238.

¹⁰⁴ Carter, 10.

which addressed community needs, or physical reconstruction which realistically reflected market demand.¹⁰⁵ As Wallace states: "[Urban renewal] has suffered because of the absence of over-all conceptualization, because of limited knowledge of the consequences of even the first-round effects of intervention in this system, and because of a concentration on "bricks and mortar" short-run goals".¹⁰⁶

Chris Leo introduces the terms "categoric" and "integrated" as concepts to understand different approaches in government programming. He suggests that "all encompassing" categoric programming is aimed at *types* of problems, not at particular problems in particular cities. For example, categoric programming may target unemployment, transit, or health issues.¹⁰⁷ Policies designed to address these issues are universal in nature, as opposed to being tailored to a specific location. Moreover, eligibility for categoric program funding is based upon specific criteria. According to this typology urban renewal can be identified as a categoric program. This conceptual construct aids in identifying the weaknesses of the urban renewal program. For example, the inflexibility of categoric programming is twofold: first, the universality of the programming preordains eligibility criteria thereby making it necessary for the problem to "fit" the solution; second, in the case of urban renewal, because bureaucratic structures were removed from the problem context (i.e. not locally based) programming was not necessarily specific to the location. Leo's second type of programming is "integrated". In contrast to categoric urban renewal initiatives, projects are characterized as integrated when a section of the city is examined and a scheme is designed especially to come to terms with the particular problems of the area.¹⁰⁸ For example, using Leo's definition, downtown revitalization closely resembles an integrated programming approach. This point will be addressed later.

¹⁰⁵ Wallace, 248.

¹⁰⁶ Ibid., 248.

¹⁰⁷ Chris Leo, "Urban Development Corporations and the Evolution of the Local State: a critical assessment," prepared for delivery to the Canadian Political Science Association, University of Windsor, June (1988): 5.

¹⁰⁸ Ibid., 5.

2.4 From 'Renewal' to 'Revitalization': A Transition in Concept and Approach

This section outlines the context for the transition in concept and strategy from 'renewal' to 'revitalization'. This transition was due to a significant shift in the socio-economic and political context of the 1960's. This orientation manifested itself in emerging grassroots community activism, in addition to the alternative forms of institutional arrangements between the public and private sector and the constitutional relationship between the different levels of government. The following discussion substantiates these points.

Pierre Filion demarcates the reorientation and transition from 'renewal' to 'revitalization' as emerging from four inter-connected issues: the reduction government renewal funding, uncertain economic circumstances of the 1970's, the rise of community activism and public participation in urban planning, and the entrenchment of suburban retail supremacy.¹⁰⁹ To be sure, following the prosperous economic period of the 1950's and 1960's, in which urban renewal program occurred, began the uncertain economic times of the 1970s. The oil crisis of the 1970s still continues to mark the moment when the confidence, that had exemplified the previous two decades, abruptly changed. Indeed, the uncertain economic times of the 1970's and political fallout from urban renewal eroded faith in large projects and ultimately contributed to the elimination of consistent urban development funding from senior levels of government.¹¹⁰

In 1968 the Hellyer Task Force, chaired by Paul Hellyer the federal minister responsible for the CMHC, concluded that the urban renewal program practices and principles were of a major concern. The Hellyer report marked the transition to a new approach for urban redevelopment to that of rehabilitation. Based on the findings of the report and public pressure, the federal government froze urban renewal funding.

¹⁰⁹ Filion, 464.

¹¹⁰ Ibid., 464.

Following this decision the federal government introduced an alternative policy approach, it focused on:

- Preserving social and physical fabric of neighbourhoods and to minimize social costs and conflict in urban revitalization;
- Programs that were sensitive to political reality of the time, particularly the constitutional relationship among the three levels of government with respect to urban affairs;
- Transition from single function approach, characteristic of urban renewal, to a form of neighbourhood development that integrates housing with social, recreational, and infrastructural improvements;
- More community involvement in planning as opposed to top-down characteristic of urban renewal.¹¹¹

With the leadership of the Federal Ministry of Urban Affairs, this policy approach emphasized economic develop and, as the above points emphasize, neighbourhood revitalization and community participation rather than an approach which was solely based on social housing. To be sure, according to much of the literature on this subject, an explicit interest in reclaiming declining areas for commercial use is important, as was evident in the renewal initiatives of derelict waterfront areas in Halifax, Saint John, Quebec, Montreal, Toronto, and Vancouver.¹¹² This shift, according to Tom Carter, from social housing to economic development is illustrated in the following four principles:

- The desire to devolve federal responsibility to the private sector and the province;
- Federal disengagement from programs that were housing related but did not directly produce additional or improved units;
- An intent to retarget housing assistance to ensure only the most needy are recipients; and

¹¹¹ Carter, 11.

¹¹² Smith, 362.

- An intent to limit any direct federal role, to one concerned with weakness or failure in the housing market.¹¹³

These four principles illustrate the changing role and perspective of the federal government in relation to urban issues. In other words, the transition from the concept of 'renewal' to 'revitalization' was part of a shift in national economic circumstances and the desire of the federal government to distance itself from the political effects, brought on by the protests of community activist, of the urban renewal program. These two factors were significant motivators for the federal government to turn its attention to market-led renewal with the public sector playing only a supporting role. To be sure, the public sector did not abandon their involvement as project initiators insofar as over the years it was apparent that private sector investment would not take place in high risk investment areas without government support. That is, while market-led strategies were emerging as a viable alternative to publicly-led projects there was still a public role in urban redevelopment. The government therefore continued to initiate programs and projects to help underwrite public capital investments and by offering incentives to private investors and land owners.¹¹⁴

In the 1970's the short life of the Ministry of Urban Affairs had provided new direction and acted as a catalyst for an emerging style of redevelopment planning and cooperation between the public and private sectors.¹¹⁵ During this period the Neighbourhood Improvement Program (NIP) and the Residential Rehabilitation Assistance Program (RRAP) were established. The program objectives were, among other things, to conserve and rehabilitate housing stock, provide funding for community purposes, and improve public infrastructure. Each level of government, like urban renewal, had a specific role to play in these programs: the federal government initiated and designed the programming framework; the provincial government negotiated agreements, identified

¹¹³ Carter, 9-14.

¹¹⁴ Hodge, 255.

¹¹⁵ Smith, 362.

eligible municipalities, and was involved in planning and objectives setting; and the municipalities, in addition to planning, were primarily responsible for program implementation, problem assessment, and priority setting.¹¹⁶ This discussion will not assess the NIP and RRAP program, however it is important to note these programs were definitive as transitional in the practice and principles of urban redevelopment. The weaker aspects of the programs included criteria ambiguity with respect to funding allocation, often ineffectual program implementation at the municipal level, lack of, or inconsistent public participation (which was meant to be the hallmark of the program), and the absence of an overall coordinating entity. The lack of a coordinating entity caused slow decision-making and poor communication between the three levels of government as well as at the implementation level.¹¹⁷ These programs focused mostly on neighbourhood rehabilitation and, according to Leo's typology, were categoric in nature as opposed to integrative.¹¹⁸

2.5 Summary

Drawing from an interdisciplinary literature review, this chapter has presented an overview of the social, economic, and political circumstances of Canadian urban redevelopment history over the last fifty years. This chapter also introduced a contemporary approach to downtown redevelopment, downtown revitalization. The phenomena of growth and decline is contextualized in the transition to a so-called 'post-Fordist' society. In comparison to a 'Fordist' society, this concept is described by three critical factors: increased automation, the adoption of flexible forms of production, and the emergence of service sector workers. All of these factors fundamentally impact upon the economic structure of cities and, as result, challenge traditional mid-century planning conceptions of the city centre as dominant and the periphery of the city as playing only a supporting role.

¹¹⁶ Carter, 13.

¹¹⁷ Carter, 16-17.

¹¹⁸ Chris Leo, "Urban Development Corporations and the Evolution of the Local State: a critical assessment", prepared for delivery to the Canadian Political Science Association, University of Windsor, June (1988):6.

This chapter also compared and contrasted Canadian urbanization and suburbanization, and urban renewal and the conditions for the transition to downtown revitalization. I argue that these trends and responses are, on the one hand, a response to external forces (i.e. globalization) which are impacting upon urban economies, while on the other hand, they are a direct result of public policy. To be sure, as Zukin argues, in the face of structural change by the late 1970's publicly initiated programs facilitated the redefinition and function of city centres within the larger urban landscape. That function, she suggests, is as financial, entertainment, and cultural amenity. In practice this new function is exemplified in the process of gentrification and is explicit in downtown revitalization programs. The next chapter addresses the theory and practice of downtown revitalization.

Chapter Three

Downtown Revitalization: In Theory and Practice

3.0 Introduction

This chapter examines the theory and practice of downtown revitalization.

Downtown revitalization, a specific program of urban development, like its predecessor urban renewal, is controversial. The goals, the strategies, and, in some cases, the mixed results provoke criticisms with respect to the public interest, the relationship between public expenditure and private benefit, and ultimately, the issue of what actually is the best strategy for 'revitalizing' downtown areas. Nevertheless, in the 1980's downtown revitalization, in the form of urban development corporations and public-private partnerships, represented a direct response to the inability of regulatory frameworks to respond to market conditions, a turn towards an explicit focus on economic growth, and the desire on the part of the public sector to, on the one hand, shift more responsibility to the private sector, and on the other hand, to retain a certain level of power and influence over the development process.

The chapter begins with a theoretical characterization of downtown revitalization. Following this, the discussion turns to the way in which downtown revitalization programs create 'the conditions' for redevelopment by identifying the key development tools utilized by the public sector. These development tools are represented in both direct economic incentive packages, public-private partnerships, and organizational capacity offered by the public sector to facilitate the development project. Organizational capacity often comes in the form of urban development corporations. While the majority of revitalization literature originates from the United States and Britain, Canadian academics and planning practitioners can also benefit from the studies and insights of other international experiences. However, the applicability of international research to Canada has some limitations, especially in relation to the United States, with respect to the ability of municipalities to exercise a full range of direct tax incentive options. In that sense, this

chapter examines downtown revitalization as a particular phenomena, in principle and practice, in urban redevelopment which has played a role in city centres since the mid-1970's.

Characterized as an urban entrepreneurial strategy, this chapter also identifies the key debates surrounding downtown revitalization. These controversies centre around privatization of a public process, public accountability, and equity. To be sure, it is important to understand the fundamental debates in order to get a complete picture of downtown revitalization. From a comparative perspective, the key debates illustrate the inherent complexity and contradictions of this type of urban redevelopment approach.

The final section of this chapter describes how the material from the literature survey relates to the North Portage revitalization project and how this material enables a greater understanding of practice. In other words, the literature survey of this chapter and the previous chapter provide the critical historical and conceptual background which is used to give greater analytical depth to the North Portage case study in chapter five.

3.1 Identifying Downtown Revitalization

Revitalization programs generally target central business districts (CBD). CBD's have traditionally been the primary location for business, retail, and entertainment however, as the preceding chapters have illustrated, CBD's are experiencing fundamental changes with respect to their role within the urban hierarchy.¹¹⁹ To be sure, positive social and economic activity in the CBD is widely consider to be an indicator of the health of the greater urban area. In other words, a poor CBD image is symbolically negative for business and investment confidence, as well as to the general public's perception of safety and prosperity. It should, however, also be noted that waterfronts and heritage areas, which are not necessarily part of a CBD, are also considered part of a revitalization approach. In that sense, while downtown revitalization is, on the one hand, locationally

¹¹⁹ Hok-Lin Leung, *Land Use Planning Made Plain* (Winnipeg: Kromar Printing, 1994)105.

defined, it is more correct to think of downtown revitalization as an urban redevelopment approach.

Theoretically, downtown revitalization rehabilitates downtown areas by enhancing, supporting, and strengthening components that already exist. For example, providing incentives for local businesses to enhance their properties, the formation of partnerships between the public and private sector, adaptive reuse and restoration of buildings, and the construction mixed-use developments.¹²⁰ Downtown revitalization aims to "...work with the existing urban fabric rather than just *replace* it. [For example], historic preservation may be appropriate in one district and clearance and rebuilding appropriate in another, or some combination of revitalization modes may be best".¹²¹ As this statement suggests, revitalization principles recognize the value of obsolete and derelict industrial areas and abandon waterfronts. But also, as Kiernan suggests, obsolete industrial land provided an alternative to inner-city neighbourhoods which had been the battle grounds between planners, developers, and community activists during the mid-1960's to mid-1970's.¹²² Nevertheless, the underlying notion of 'revitalization', as opposed to 'renewal', is that the emphasis is on the reuse and reinvestment in physical structures. While at the same time, the objective of revitalization schemes is to stimulate declining economic processes by increasing investment from the public and private sector and increasing consumer expenditure. Last, increasing population in declining areas, in terms of residential uses and pedestrian traffic, is also a critical aspect of revitalization schemes.

In general, downtown revitalization projects are focused, or in Leo's terminology, integrated, interventions tailored to suit the specific needs of the targeted location. This approach is comprehensive in so far as programs target particular areas for redevelopment by offering financial incentives and other development 'tools', such as zoning bonuses,

¹²⁰ Hall, 350.

¹²¹ Hodge, 361.

¹²² Matthew Kiernan, "Urban Planning in Canada: a synopsis and some future directions," Plan Canada January (1990): 16.

infrastructure provision, and land assembly to achieve the planning objectives. According to the theory of downtown revitalization, such targeting recognizes that there are differences in the pace of development between various areas and also that an infusion of public funds, within a predetermined period, may be necessary to initiate new development or the renewal of existing uses.¹²³ In other words, when investment confidence is low, or non-existent, the public sector creates 'the conditions' for investment.

Downtown revitalization projects come in many different forms ranging from small interventions such as funding for main street storefront canopies, to 'flagship' mega-projects such as Harbourfront in Toronto. While different in form, New York City's Battery Sea Park and London's Canary Wharf, two widely known international examples, and in Canada, Vancouver's Granville Island, and St. John's Market Square are similar in that these projects are located on obsolete industrial land and are conceptually unified as 'mixed-use' projects. With respect to the latter point, this concept is premised on the idea that a mixture of uses, such as residential, office, entertainment and culture, and institutional, should be brought together as a means toward creating a vibrant urban environment. The objective of an integration of uses is to create an atmosphere which is active seven days a week during the day and evening hours. Using urban design principles many mixed-use projects encourage pedestrian and transit oriented environments. And while many mixed-use projects have a strong emphasis on creating 'consumerist' environments, it is also important to acknowledge that this approach diverges from previous thinking which restricted mingling different types of land uses. Secondly, though the above examples are located on abandoned waterfronts, and therefore have inherent positive development amenity features, these projects represent only the first phase of redevelopment reclamation initiatives. For example, Kiernan argues that as the amount of underutilized landholdings increase, such as warehouses, office buildings, and railway sites, those spaces will present future development opportunities. Though very optimistic

¹²³ Hodge, 256.

considering the significant investment necessary to reclaim these areas, Keirnan suggests that this is an inevitable trend since "...this shift from suburbia to downtown is likely...to intensify as we continue our societal "mega-shift" from an economy predicated on natural resources and manufacturing to one based on knowledge, information, and services.¹²⁴ Building on Keirnan's argument, it is also possible to suggest that revitalization as a redevelopment concept is also more diverse than some of the large 'flagship' projects suggest. There are other examples of lesser known projects that do not have the benefit of a shoreline nor do these projects necessarily focus on creating a commercial environment. For example, in Montreal the Faubourg residential project is a neighbourhood development initiated of affordable housing which is strategically located close to commercial, recreational facilities, and employment opportunities.¹²⁵ Secondly, in the Bronx, New York, the Bronx Center project brought a diverse coalition of interest groups, from both the private and public sector, together to create a comprehensive social, economic, and physical plan which would address the housing, education, employment, and safety needs in the community.¹²⁶ This project represents a significant departure from past urban renewal projects that had left some areas of the South Bronx in an abandoned condition.

While acknowledging that revitalization projects are diverse, mixed-use downtown revitalization schemes are generally 'property-led' approaches which are structured on a central theme: for example, heritage, waterfront, tourism, festival marketplace, and retail. The last use, retail, is the main thrust, or the common thread, between most downtown revitalization projects. Downtown revitalization retail projects can be classified into five categories:

- Retail restructuring: creates a fundamentally different retail environment by combining new and refurbished older elements, with a retail anchor;

¹²⁴ Kiernan (1990): 17.

¹²⁵ Elizabeth Smith, "Urban Revisions: current projects in the public realm," in Russell Ferguson, ed., Urban Revisions: current projects in the public realm (Cambridge, Mass.: The MIT Press, 1994):10.

¹²⁶ Ibid., 10.

- Festival retailing: making shopping a recreational activity;
- Major expansion of conventional retailing: the development of a large retail project including anchors and mall shops, sometimes conceived as part of a larger mixed use project;
- Retail combined with other uses, especially hotel and offices;
- The renovation and upgrading of existing retail corridors.¹²⁷

3.2 'The Conditions' for Downtown Revitalization: Economic Principles

While market-led approaches often determine the type and function of downtown revitalization programs, the public sector still plays an important role in creating 'the conditions' for private investment. The primary reason for continued public sector involvement is because the free-market is not prepared to accept all the risks nor all the costs of downtown revitalization. As Chris Couch suggests,

...there are sometimes major infrastructure investments required to unlock potential sources of profitable property development; but the supply of physical urban infrastructure is seldom profitable and so its provision has become one of the tasks of the state. Urban highways, car parking facilities and public transportation systems are examples of the unprofitable but essential urban framework that is required before profitable property development takes place.¹²⁸

In the practice of downtown revitalization, according to Black, it is rare that contemporary downtown large-scale retail projects have been developed without significant public

¹²⁷ T. Black, T. et al., Downtown Retail Development: Conditions for Success and Project Profiles (Washington: The Urban Land Institute, 1983) 2.

¹²⁸ Chris Couch, Urban Renewal: the theory and practice (London: MacMillan, 1990):2.

subsidy or financing support.¹²⁹ The reason, from the perspective of the Rouse Company, a development company well known for its participation in downtown revitalization, is because the economic risk and cost of building downtown projects is substantial, the public sector must therefore help developers decrease "the gap" between financial output and return.¹³⁰ For example, private developers do not participate in a development project unless they have determined that there is a market and it is economically feasible. In assessing the feasibility of the market, private developers analyze the:

- Size and buying power of the market that the project and downtown can expect to attract;
- Nature of the competition and the location and character of suburban centres;
- Drawing power of downtown - what it has in the way of cultural, recreational, or other people attractions;
- Transportation accessibility, relative convenience and cost;
- Downtown environment: safety and appearance;
- Location and character of existing retail in the downtown;
- Construction and operations cost differentials between downtown and suburban projects.¹³¹

Using these market analysis variables private developers decide whether or not to invest in a downtown location. It is important, according to Pagano and Bowman, to recognize that the public sector decides to intervene and mobilize their financial and legal powers for reasons other than economic. According to their research, intervention takes place to correct a perceived market failure. In other words, to assess "...whether the investment is efficient

¹²⁹ Black, 14.

¹³⁰ Ibid., 15.

¹³¹ Ibid., 2

or optimal....[is] nearly irrelevant to city leaders' decision to subsidize a particular project."¹³²

In order to encourage private sector investment the public sector utilizes a number of economic development and planning strategies. The purpose of these strategies is twofold. First, to lower costs and increase the economic feasibility of the project from the private sector's perspective; and second, to 'lever' private sector monies to augment, and hopefully surpass, the public investment which is represented in infrastructure and incentives.¹³³ Investors seek incentives which will lower the short-term high front-end expenditures, and reduce "the gap" between output and return.¹³⁴ With respect to a particular type of downtown revitalization project, the "flagship", Smyth comments: "Urban regeneration is a long-term activity, and therefore, undertaking "unprofitable" developments [for the public sector] may be necessary in order to stimulate the market to profitable levels. This has been the function of some flagship developments."¹³⁵

The key mechanisms that the public sector brings to a downtown revitalization process, and by extension, to investors, are:

1. Land assembly;
2. Financial powers for public improvements, subsidies, loans, and investment;
3. Public land use regulatory powers and control over the development approval process.

¹³² Pagano & Bowman, 92.

¹³³ The ratio between the public sector funds and the private sector is the "levered" funds, the public sector hopes to stimulate high ratio.

¹³⁴ Susan Fainstein, The City Builders: property, politics and planning in London and New York (Oxford: Blackwell, 1994)108.

¹³⁵ Hedley Smyth, Marketing the City: the role of flagship developments in urban regeneration (New York: E & FN SPON, 1994)16. Symth uses British terminology, however it should be noted that urban regeneration is synonymous with urban\downtown revitalization.

More specifically, downtown revitalization schemes offer a number of financial development tools aimed at providing relief from financial burdens normally carried by private developers in a development project. As previously mentioned, Canada and the United States differ significantly with respect to the amount of taxing power municipal development authorities are able to exercise. Nevertheless, the following list illustrates the range of options that are employed in revitalization schemes. The first point has the most significance to the Canadian context.

- Economic development corporations, such as community development corporations or urban development corporations, oversee a development area and are empowered to facilitate land assembly, provide infrastructure, to prepare the physical planning and negotiate the financial working of the development deal.
- Direct tax incentives which go towards a specific end in the project area;
- Special assessments and tax districts funnel a proportion of property taxes on structures within the area back to the structures;
- Funds raised in tax districts may be used for further capital expenditure, as backing for loans, or to pay for area services;
- Tax-increment financing employs any increase in property taxes resulting from a revitalization project to pay back the bonds used to finance the investment or to reinvest further in the area;
- Tax abatements may be used to reduce for the owner any tax liability resulting from building or improving a property;
- Enterprise zones offer tax abatements or forgiveness to firms operating within the designated area.¹³⁶

In comparison to a traditional regulatory planning approach , the above 'tools' are identified as proactive. For example, traditional land use regulation is essentially negative in nature in that, for example, zoning provides a basic outline of what is allowed, or

¹³⁶ Summarized from, Susan Fainstein et al. Restructuring the City: the political economy of Urban Development (New York: Longman, 1983) 20.

conversely, what is not allowed. However, zoning bonuses, such as additional height on office buildings, or even 'free' land may not be enough to justify investment from the private sector's perspective. In other words, as exemplified in downtown revitalization projects, cities take a proactive approach by providing a basic infrastructure framework and offering a variety of incentives. For example they provide grants, multi-level government monies to build roads, parking, sewer, and low-interest loan funds to finance private sector redevelopment.¹³⁷ Moreover, in addition to financial incentives, revitalization projects typically offer organizational capacity in the form of a special planning and implementation entity to oversee and act as an advocate for the entire project.

The purpose of this level of public sector involvement, according to advocates of downtown revitalization, is that these projects hold the potential for expanding the tax base, job creation, and creating potential economic 'spin-offs' for the rest of the city. Moreover, according to this approach, a 'revitalized' downtown holds the promise of improving the overall image of the city. To be sure, in addition to economic development, downtown revitalization projects are very much part of reintroducing a confident city centre back into the urban area. As Pagano and Bowman comment: "Development projects are selected and financial tools are mobilized to pursue some vision of the city". The image-building, and the investment on the part of the public sector represents, both quantitatively and qualitatively, a commitment to the private sector to invest in the future of the downtown area.¹³⁸

In summary, the practice of downtown revitalization, unlike urban renewal, is based on market-led strategies. In other words, urban renewal and urban revitalization differ with respect to the latter's reliance on market behavior and the explicit drive for economic growth; this tendency is illustrated by the fact that "...commercial revitalization [read: downtown revitalization] pivots upon the formation of a private-public partnership

¹³⁷ Halcomb, 27.

¹³⁸ Nina Gruen, "Public/Private Projects: a better way for downtown," *Urban Land* 45:8 (1986): 4.

[by] bring[ing] major developers, financial institutions, and community leaders together with elected officials and agencies of city government".¹³⁹

3.3 Organizational Capacity

This section discusses the approaches and core principles of the organizational and 'relationship' context which, according to the findings of this interdisciplinary literature review, defines the downtown revitalization approach. This approach is exemplified in public-private partnerships and urban development corporations. Public-private partnerships are examined as the cornerstone of urban entrepreneurialism and, by association, downtown revitalization. Second, the discussion will turn specifically to urban development corporations as the principle planning and implementation mechanism most representative of downtown revitalization. But first the notion of urban entrepreneurialism is broadly defined and briefly examined.

3.3.1 Urban Entrepreneurialism

Downtown revitalization is typified in the concept of urban entrepreneurialism. Urban entrepreneurialism, as defined by Helga Leitner, is an urban redevelopment approach where public resources and powers are utilized to promote economic growth within a free-market framework by using market criteria to evaluate the goals and efficiencies of government practices.¹⁴⁰ To be sure, urban entrepreneurialism emerged out of renaissance of neo-laissez faire economics.¹⁴¹ Characteristic of this perspective is a frustration with conventional bureaucratic forms of dispensing services, insofar as bureaucratic systems are perceived as inflexible anachronisms struggling to function in a 'post-Fordist' economy.

¹³⁹ Halcomb, 27.

¹⁴⁰ Helga Leitner & Mark Garner, "The Limits of Local Initiatives: a reassessment of urban entrepreneurialism for urban development," *Urban Geography* 14:1 (1993): 59-60.

¹⁴¹ Claus Offe, "Some Contradictions of the Modern Welfare State," in John Keane, ed., *Contradictions of the Welfare State* (Cambridge: MIT Press, 1993) 149.

The word entrepreneurialism is directly associated with private sector practices. The definition of an entrepreneur "...is a person who undertakes an enterprise of business with the chance of profit or loss".¹⁴² In the context of urban development, urban entrepreneurialism emerged in the 1980's when city governments began to participate on an equity basis in large-scale private urban development projects or negotiated for public amenities in exchange for public capital.¹⁴³ The notion of urban entrepreneurialism is exemplified in Osborne and Gaebler's book Reinventing Government. The authors argue that there is a new role for government to play by providing a framework to solve problems rather than merely providing services.¹⁴⁴ Entrepreneurial solutions, according to Osborne and Gaebler, include contracting out, mission driven results, results oriented, customer driven and "enterprising" government. The implication of this perspective is that, the public sector, in its current form, is the opposite; viz., traditional government bureaucracies are rigid regulatory bodies without adequate means to measure program outcomes. Moreover, as the argument suggests, there is no longer a need to *regulate* development, but rather the emphasis should be on the *stimulation* of development. To be sure, the recession of the 1970's and 1980's demanded alternative mechanisms to conventional methods, which were more appropriate to guiding and controlling the explosive growth of post-war North America.¹⁴⁵

What the notion of urban entrepreneurialism does not adequately address is the inherent difference between the public and private sector. The argument, in other words, does not recognize or differentiate between the role of each sector, or how each operates within a different frame of reference. As Vasu comments:

¹⁴² Concise Oxford Dictionary, Eighth Edition (Oxford: Clarendon Press).

¹⁴³ William Cloman, State and Local Government and Public-Private Partnerships: a policy issues handbook (New York: Greenwood Press, 1989)148.

¹⁴⁴ Sue Robinson, "Public-Private Partnerships in Development: the new role of local authorities as urban entrepreneurs," Australian Planner 32:3 (1995): 157.

¹⁴⁵ Hall, 343.

Public and private organizations are different in that their primary goals are different. Private organizations (firms) ultimately seek to profit maximize, because to do less is to fail to survive in the marketplace. Public organizations are empowered through law and held accountable to the body politic for administering the law in pursuing their goal of public service. Public organizations are part of government, which is part of the political system.¹⁴⁶

In other words, public organizations cannot be directly applied to a private sector model, or vice versa without modifications. In the late 1960's Anthony Downs also analyzed the differences between public and private organizations, he based this analysis on market principles. According to Downs, most private organizations are economically 'two-faced' and most public organizations are economically 'one-faced'. Private organizations secure scarce resources which they employ to produce their outputs. This, suggests Downs, is their first 'face'. Their second face is the one they present to the market in which they seek to sell their outputs for a profit. As long as the firm can sell their outputs for enough money to make the profit necessary to buy addition inputs, they can stay in business, thereby providing an ongoing evaluation of the work.¹⁴⁷ Conversely, by design, public organizations and some segments of private organizations which lack "market exposure", are economically one-faced. By this Downs means that while they secure resources in the market place (inputs), they face no economic markets on the other side. This is because typically public organizations do not sell their outputs. Consequently, they do not have the information provided by the market to use as a measure of their performance.¹⁴⁸ Similarly, management professor Henry Mintzberg argues that fixating on measuring the merits of government programming is misguided; Mintzberg states, "[m]any activities are in the

¹⁴⁶ Micheal Vasu, Debra Stewart, G. Garson, Organizational Behavior and Public Management (New York: Marcel Dekker Inc, 1990) 5.

¹⁴⁷ Ibid., 11.

¹⁴⁸ Ibid., 11.

public sector precisely because of measurement problems: If everything was so crystal clear and every benefit so easily attributable, those activities would have been in the private sector long ago."¹⁴⁹ Lastly, Downs points out, the economic differences between private firms and public organizations are most pronounced in the primary goals that each seek to achieve. In other words, the goals that public organizations seek to achieve are often more nebulous and difficult to achieve absolute solutions, let alone to define.

Rittle and Webber identified this dilemma as "wicked problems". Wicked problems are the complex economic and social problems faced by public organization, for example:

As distinguished from problems in the natural sciences, which are definable and separable and may have solutions that are (findable), the problems of governmental planning - and especially those of social or policy planning - are ill defined; and they rely upon elusive political judgment for resolution. (Not "solution". Social problems are never solved. At best they are only resolved - over and over again.)¹⁵⁰

To be sure, the main conceptual thrust of urban entrepreneurialism is framed in marketplace principles and, in that sense, the notion of urban entrepreneurialism has clear theoretical weaknesses in terms of direct application to public sector organizations. It is however important to be aware that this orientation is a significant part of the conceptual terrain of downtown revitalization. Nevertheless, it is equally important to be cognizant of the differences, in function and objective, between the public and private sector. This latter point will be addressed in the concluding chapter.

¹⁴⁹ Henry Mintzberg, "Managing Government, Governing Management," Harvard Business Review May-June (1996): 79.

¹⁵⁰ Vasu, 11.

3.3.2 Public-Private Partnerships

Public-private partnerships while hailed as a new innovation in 'doing business', has in reality enjoyed a long history in Canada. The government from the federal, provincial, and municipal level have all played a role in promoting and shaping Canadian economic development. Indeed, as James Simmons comments, "...the great works in Canadian economic history point repeatedly to the intervention by government: the railroads, the tariffs, the subsidies, and settlement schemes".¹⁵¹ To be sure, public sector involvement in urban development has been an enduring theme; public-private interventions, both large and diverse, have penetrated almost every aspect of the urban fabric. This point is also exemplified, as discussed earlier, in the governments' support of suburban expansion.

Public-private partnership arrangements come in a variety of different forms. They might range from a modest arrangement in which government, business, and non-profit groups work together to identify a problem, or an arrangement might entail a highly complex financial, decision-making, and implementation arrangement.¹⁵² The central tenet of the partnership concept is that participants achieve objectives they could not otherwise achieve alone. Table 2 (next page) is an excerpt from Kenneth Kernaghan's four categories of public-private partnerships.

¹⁵¹ James Simmons, "The Impact of the Public Sector on the Canadian Urban System," in Gilbert Stelter & Alan Artibise, eds., Power and Place: Canadian Urban Development in the North American Context (Vancouver: University of British Columbia Press, 1986) 21.

¹⁵² Stuart Langton, "'Public-Private Partnerships: Hope or Hoax?," National Civic Review 72:5 (1983): 258.

Collaborative Partnerships <ul style="list-style-type: none"> • power-sharing partnership: beyond consultation • pooling of resources such as money, information, labour • each partner gives up some autonomy: decisions by consensus • often mutually dependent 	Operational Partnerships <ul style="list-style-type: none"> • characterized by a sharing of work rather than of decision-making power • emphasis on working together and coordination at the operational level to achieve the same, or compatible goals • some of these have a strong element of collaboration in that the partners share resources • in some power, in the sense of control, is retained by one partner, usually by the public organization involved
Contributory Partnerships <ul style="list-style-type: none"> • in which an organization, either public or private, agrees to provide sponsorship or support, usually in the form of funding, for an activity in which it will have little or no operational involvement • not usually considered true partnerships because they do not require active involvement in the decision-making process of all players • financial contribution is not considered enough to be a partner • can be a n element of collaboration 	Consultative Partnerships <ul style="list-style-type: none"> • public organizations solicits advice from individuals, groups, and organizations outside government. • in common with citizen participation, but does little to empower the participants • they usually take the form of advisory committees or councils whose main task is to advise government in relation to a particular policy field or policy issue • control retained by government, the ultimate decision-makers, advise can have considerable influence

Table 2
Four Public-Private Partnership Types
Source: Adapted from Kenneth Kernaghan "Partnerships and Public Administration: conceptual and practical considerations"

No matter the partnership type it is evident that the public and private sector each bring particular skills and resources to the development deal. As mentioned above, local government brings three valuable resources to the development process: land, financial powers, public land use regulatory powers and control over the approval process.¹⁵³ The public sector also brings political will and legitimation to the project. From private sector perspective, time and money can be substantially saved if government agencies, figuratively and financially, are behind a development project. The private sector, on the other hand, bring market-based pragmatism and quicker decision-making processes than the public sector has traditionally done. The two sectors working together, in theory, is a way in which to increase resources, expertise, and ideally, to bring cooperation and collaboration into the urban development process.

In practice, there are three basic approaches to downtown revitalization:

¹⁵³ Robinson, 158.

1. Private sector redevelopment: with or without incentives such as bonuses granted by the private sector;
2. Public sector redevelopment: with property acquisition, land assembly, re-offering of sites for development by the private or public sector with conditions;
3. Joint venture redevelopment: in which public and private stakeholders contribute their powers, expertise, and resources in order to redevelop the site, and share in the costs and the benefits.¹⁵⁴

As one author comments, partnerships are not necessarily good or bad. Rather partnerships have the potential to be effective, destructive, useful, or a waste of resources.¹⁵⁵ In choosing one of above three approaches, or hybrid, the partnership must be evaluated as to which is the best approach to ensure that downtown revitalization objectives are met; as a focused context-oriented approach, downtown revitalization projects normally do not use pre-determined models. Due to the ubiquity of the term 'partnership' in downtown revitalization, Environment Canada's legal services note the risk of definitional and operational ambiguity:

Technically speaking, a partnership is a legal relationship whereby partners share profits and losses and the actors of each partner bind the others. The risk of unintentional liability is significant in the use of the term partnership and as such, it should be used only where it is understood that a liability is to be assumed. Terms such as alliance, cooperative agreement and collaborative activity should be used wherever appropriate to denote a joint activity or looser cooperative arrangement than a partnership.¹⁵⁶

¹⁵⁴ Ibid., 157.

¹⁵⁵ Langton, 258.

¹⁵⁶ Kenneth Kernaghan, "Partnership and Public Administration: conceptual and practical considerations," *Canadian Public Administration* 36:1 (1993): 71.

To be sure, the notion of partnership casts a wide conceptual net. In legal terms it has exacting meaning, but the notion of partnership also touches upon how public and private sector organizations, in the context of this investigation, are rethinking their working relationship. For example, writing from a business perspective, Neil Rackman suggests that while "partnering" taps into a reservoir of financial resources there must also be a strong mutual vision and organizational retooling in the way partners do business together. Rackman states: "The impact of partnering results from improving the way two organizations work together - from rethinking boundaries between organizations and how they operate."¹⁵⁷ In terms of government and business forming partnerships, Kernaghan argues that the "...synergistic effect of successful business-government partnerships enables the two sectors to achieve objectives that otherwise would be unattainable."¹⁵⁸ Nevertheless, from an accountability perspective public-private partnership arrangements must stay within clear boundaries and create innovative approaches in intraorganizational communication:

...both ministers and legislators need to be assured that public servants are held accountable for the consequences of their involvement in partnerships...[and] non-government partners, including business organizations, will have to disclose more information to government and the public about how partnership related activities and expenditures than they customarily do, especially if they receive government funds.¹⁵⁹

In thinking about public-private partnerships it is important to understand why this approach has become the cornerstone of downtown revitalization. Fundamentally, throughout the 1980's and into the 1990's, both the public and private sector have faced

¹⁵⁷ Neil Rackman, Getting Partnering Right: how market leaders are creating long-term competitive advantage (New York: McGraw-Hill, 1996) 37.

¹⁵⁸ Kernaghan, 71.

¹⁵⁹ Ibid., 72.

similar resource problems. For example, applied by municipalities, partnerships are used to confront the problem of policy devolution from senior levels of government and the accompanying fiscal responsibilities. Similarly, the private sector has also faced successive crisis's of profitability and competitiveness over the last decade.¹⁶⁰ For both the public and private sector declining resources are a key factor behind public-private partnerships. As well, however, the partnership approach is also part of an effort to identify alternative organizational methods which are more compatible with contemporary planning and decision-making environments.

The latter point, the search for compatible planning and decision-making approaches, is epitomized in the idea of "negotiated development"; to be sure, this is the style most representative of partnership driven downtown revitalization. Accordingly, negotiated development is a decision-making style which is flexible enough to accommodate changes in market behavior; viz. flexibility is necessary, in form and function, in order to work with the private sector in a give-and-take scenario. Based on this approach the public sector, working within a private sector operational environment, has given "...cities the opportunity to deliver a private project that [is] responsive to public interests. They [are] able to tap into private sector development and management know-how, while still having a say in all major decisions".¹⁶¹ In contrast to urban renewal, characterize by inflexible bureaucratic systems and categic programming, negotiated projects are premised on the skills of the public negotiator and the availability resources; it is, in other words, much more informed by the context of 'the deal'. Working within the context of the deal public and private involvement changes the nature of the urban development decision-making processes, as Smyth comments:

¹⁶⁰ Paul Knox, "Public-Private Cooperation: a review of the experience in the U.S.," Cities Nov. (1988): 341.

¹⁶¹ Bernard Freiden, "Center City Transformed: Planners as Developers," APA Journal Autumn (1990): 425.

Local government cannot stand back from the process. It helps to create the market for property development and investment activities. Its role will help determine what activities are encouraged and restrained. It has to engage fully in development and , indeed, that is what the private sector has required in order to: ensure profitable regeneration through the market, create innovation, sustain the momentum in the long term, and secure comparative competitive advantage for the area and the city¹⁶²

3.3.3 Urban Development Corporations

In the early 1980's urban development corporations (UDC) became a key planning and implementation mechanism in downtown revitalization. UDCs played a pivotal role by coordinating development activities and linking the efforts and goals of the public sector with the private sector and vice versa. UDCs, or quasi-public development organizations, are an alternative to traditional planning agencies which, according to proponents of the former, are more compatible and better equipped to work in a business oriented atmosphere epitomized by urban development. Traditional planning agencies, according to this same argument, are too slow and inflexible to effectively perform in real estate negotiations; viz., the connection to, and volatile nature of, politics, and the legislation process of public planning inhibits negotiation and decision-making processes.¹⁶³ To be sure, the advantage of the UDC model is that, unlike public planning departments, they are created for a special purpose. That is, UDCs are principally created and designed to fulfill a particular development mandate and have the financial resources, and decision-making authority and autonomy to achieve that mandate. In comparison to a traditional planning model, UDCs are substantially different in form and function insofar as traditional models are financially limited and decisions are made in relation to other municipal and government departments. While both UDCs and a traditional planning models function within a political environment, UDCs enjoy a greater level of independence from public scrutiny because

¹⁶² Smyth, 18.

¹⁶³ Black, 15.

they are "... freed from the restrictions of government bureaucracy, [and] ...can act quickly, be flexible, and conduct their business privately."¹⁶⁴

The objective of creating an urban development corporation is to provide a semi-autonomous coordinating entity with enough decision-making power and legal authority to catalyze investment in downtown locations. According to Tony Gore UDCs are "...specially formed organizations whose [purpose], in whole or in part, is to secure a range of formal agreements between public and private bodies, with a view to the physical environment, economic revival and community development of a particular area".¹⁶⁵

UDCs act as an umbrella organization to coordinate and encourage private investment, to assemble land through powers of expropriation,¹⁶⁶ to coordinate private sector subsidies, and to help create a political and institutional climate receptive to the goals of a given downtown development project.¹⁶⁷ To be sure, the role of UDCs is to act as a facilitator and advocate, and to create an investment environment which is conducive to private sector activity. This environment, especially in deteriorating downtown areas, usually cannot be created by a land use plan, however well intentioned. That is to say, "while plan-making is aimed at stimulating and guiding action of decision makers, 'planning' and 'action' are distinctive activities."¹⁶⁸ UDCs, on the other hand, are instruments in which the planning objectives are specific, there are adequate financial resources to achieve those objectives, and the actual implementation of the planning program can occur in much greater depth than is possible in a statutory land use plan.¹⁶⁹

¹⁶⁴ Ibid., 15.

¹⁶⁵ Tony Gore, "Public/Private Partnership Schemes in UK Urban Regeneration: the role of joint enabling agencies," *Cities* August (1991): 210.

¹⁶⁶ Note that in Canada the power of expropriation rests in the hands of the Crown. For example, in the case of the North Portage project, the Provincial government expropriated the land and then handed it over to the NPDC for the purposes of planning and developing the site.

¹⁶⁷ Peter Lawless, "Partnerships in Urban Regeneration in the UK: the Sheffield Central Area Study," *Urban Studies* 31:8 (1994):1304.

¹⁶⁸ Hodge, 249.

¹⁶⁹ Andrew Coulson, "Flagships and Flaws: assessing the UDC decade," *Town and Country Planning* Nov. (1990): 302.

3.4 Key Criticisms: Urban Development Corporations and Public-Private Partnerships

While urban development corporations have played a key role in creating public-private partnerships and, as a result, have stimulated private investment in declining downtown areas, it is a model which endures considerable criticism. This section will outline the key criticisms of UDCs and public-private partnerships. Much of urban development literature adopts a distinctly critical stance of the principles and practices of past and contemporary urban development. While these analyses have different political orientations, the criticisms uniformly unite around specific issues, which are:

1. The privatization of public planning processes;
2. Public accountability and public interest;
3. Equity.

The last issue addresses whether the public investment successfully addressed the socio-economic needs of the area; or conversely, whether the revitalization project simply replaced declining structures, the businesses, and the original identity of the area with homogenous private spaces thematically structured around a market-constructed 'image'. These three issues are critical to assessing the degree to which a given downtown revitalization strategy is innovative in the sense that it alters the status quo. This question is further addressed in the North Portage case study.

3.4.1 Privatization, Accountability, and Equity

According to Edmundo Werna, as Downs also argued, the private and public sector are intrinsically different.¹⁷⁰ Werna's argument is twofold: he critically suggests that public

¹⁷⁰ Edmundo Werna, "The Management of Urban Development, or the Development of Urban Management? problems and premises of an elusive concept", *Cities*, 12:5 (1995): 355.

sector performance will be judged by private sector standards; and second, while local institutions are assuming greater importance in the midst of globalization, traditional conceptions of the state, for example, as guardians of the public interest, will be subsumed by the 'corporate' approach based on a private sector model. Werna is suggesting that the 'blurring' of public and private sector, within the partnership model, challenges the ability of the public sector to administer democratic leadership. Similarly, Henry Mintzberg argues that "...business is not all good, and government is not all bad." Conflating the two, or modeling government on business, will create an imbalance that will favour the private sector and not help society.¹⁷¹ He argues that private sector values are pervading all levels of society and at the same time challenging the legitimacy of government. Mintzberg warns, however, that "...government should be careful about what they take from business."¹⁷² Whereas the private sector may make decisions on priorities which flow from an universal acceptance of profit motive as the key variable, the public sector, in contrast, has a different mission.¹⁷³ The crux of Mintzberg's argument is that democratic societies must have a balance between the role that the public sector plays and the role the private sector plays.¹⁷⁴ To be sure, in practice, balancing public and private priorities is an inherent tension in downtown revitalization. And while Werna critically addresses this by underscoring, or rather, problematizing, the extent to which private initiators underpin government policy and the extent to which the private sector underpins private profitability, Smyth, on the hand, while recognizing the problem suggests stronger democratic leadership, not regulation, should play a key role. He states:

Clearly, a relationship of co-dependence [in investment] will help the security of a scheme, therefore maximizing the impact of the project in whatever form that

¹⁷¹ Henry Mintzberg, "The Myth of "Society Inc.," The Globe and Mail Report on Business Oct. (1996):113.

¹⁷² *Ibid.*,16.

¹⁷³ Vasu,180.

¹⁷⁴ Henry Mintzberg, "Managing Government, Governing Management," Harvard Business Review May-June (1996): 83.

takes. That type of governance may give security for the scheme, but for the impact to benefit the local population and business the most, the governance needs to be very carefully and sensitively handled. Leadership should not be confused with management, which is all too easy with an intraorganizational structure. *Leadership requires not only the ability to look ahead but a serving rather than controlling approach where power compromises and potentially corrupts, in the sense that the population is not being served.*¹⁷⁵ [my italics]

Given that successful downtown revitalization is based upon financial and decision-making partnerships between the private and public sector, the issue of effective and appropriate public sector leadership is critical. As Fainstein pragmatically states: "To take the view that planning shouldn't be touched by economics or that politicians should not have anything to do with planning decisions is not only unrealistic, but false."¹⁷⁶ This statement is particularly relevant in light of the fact that successful downtown revitalization is based on negotiation between the public and private sector, political will, and market variables. The underlying concern, however, is that without public leadership the risk of privatizing the process, thereby creating an exclusive system serving the needs of business elites, is high. Already though, according to Levine, "[u]rban democracy has been compromised by a partnership approach that views city government as a hindrance to 'fast track' redevelopment deal-making, rather than as a genuine redevelopment partners representing the public interest."¹⁷⁷

To be sure, because urban development is a process which includes many 'interests' it is inherently political. Almost any issue area in the public sector can become politicized especially when the decision will impact many people and the funding is drawn

¹⁷⁵ Smyth, 89-90.

¹⁷⁶ Susan Fainstein, "The Money Overwhelms the Process," in John Sewell, A Symposium on the Public Planning and Processing of Large Scale Development (1989) : 47.

¹⁷⁷ Marc Levine "The Politics of Partnerships," in G. Squires, ed., Unequal Partnerships: the political economy of urban redevelopment in postwar America (London: Rutgers University Press, 1989) 27.

from the public purse.¹⁷⁸ According to arguments against market-led downtown revitalization, redevelopment interventions are problematic because they are presented as essentially value-free; in other words, downtown revitalization decisions are presented as simply 'good business' divorced from politics, the process therefore becomes depoliticized.¹⁷⁹ But, according to critical literature, the process is political insofar as the interests which are served are primarily the interests of the business class; in other words, the public sector is essentially the junior partner in the 'partnership', and ultimately, in the facilitation of private capital accumulation.¹⁸⁰ One such critic is Susan Fainstein, who states:

The new organization for planning and urban development is the public-private partnership. What this means is that there's a public role - primarily in providing powers private developers do not have, such as the power of expropriation or eminent domain, and the ability to command public investment in infrastructure. The private role is, of course, to contribute capital to the enterprise, *but it is the private side that does the real planning rather than the public side.*¹⁸¹ [my italics]

Fainstein however does not entirely object to public-private partnerships or urban development corporations. In fact, she recognizes the need for alternative organizational arrangements and mutual investment from both the public and private sector. What Fainstein instead suggests is that a publicly led revitalization program, assisted by the private sector, should be part of a sensible long-term economic growth program: the program must be within the context of comprehensive economic development plan - not

¹⁷⁸ Vasu, 180.

¹⁷⁹ Levine, 27.

¹⁸⁰ Gregory Squires, "Partnership and the Pursuit of the Private City," M. Gottdiener & C. Pickvance, eds., *Urban Life in Transition* v. 39 (New York: Sage Publications, 1991) 196.

¹⁸¹ Fainstein (1989), 46.

short-term projects which are isolated from the local community and the rest of the urban fabric.¹⁸²

Fainstein's argument for comprehensiveness is echoed by other authors who suggest that some downtown revitalization projects have not been accountable with respect to the use of public funds nor have public negotiators been effective 'keepers' of the public interest. Unfortunately, some projects simply have "... created islands of private excellence in seas of public squalor".¹⁸³ Logan and Swanstrom argue that, especially in the early 1980s, downtown revitalization models were too focused on physical regeneration and ignored social provision or the development of human capital. According to this argument, by focusing on wealth creation for the private investors the projects have ignored programs for economic and social redistribution. Similarly, Smyth explains that the problem with focusing primarily on property-led regeneration, as it was practice in the 1980's, was that insofar as it emphasized unblocking the supply side, the projects often did not realistically assess whether there was market demand. In other words, over-building in the 1980's saturated the market, and second, there was not necessarily a "...pent-up demand.... for the improvements in living standards among those who were abandoned by the previous economic activities in the area."¹⁸⁴ Moreover, he comments on the potential for unequal benefit distribution:

The presence of low paid employment has frequently gone hand-in-hand with the creation of flagship projects that promote affluent, pastiche 'lifestyles' framed in postmodern architecture. The low paid serve the more affluent in their consumption and leisure pursuits and provide support services for offices. This type of social polarization is criticized with justification on ethical grounds and holds within it the seeds for social

¹⁸² Fainstein (1994), 246.

¹⁸³ John Logan & Todd Swanstrom, Beyond the City Limits: urban policy and economic restructuring in comparative perspective (Philadelphia: Temple Press, 1990) 108.

¹⁸⁴ Smyth, 82.

tension, as well as being part of the dynamic that creates competitive advantage and hence the investment in the first place.¹⁸⁵

Consistent with the above critiques, Chris Leo also points out that because downtown revitalization entails a complicated process involving public and private sector actors this approach does not offer significant opportunity for small locally based businesses to become involved in the process, nor the hope of focusing on small scale community development projects. He states:

Just as large scale 'downtown revitalization' projects in the United States create a wave of fresh opportunity for the highly centralized Canadian development industry, so urban development corporations here could open new doors downtown for the largest companies - the ones least likely to be interested in maintaining the identity and livability of urban communities.¹⁸⁶

3.4.2 Urban Development Corporations

As a key mechanism of downtown revitalization, urban development corporations operate on a thin operational edge on which they balance the responsibility of achieving their development mandate, maintaining financial self-sufficiency, in addition to playing an important role as keepers of the public interest. Fainstein offers a definition of UDCs which problematizes the role of a public entity functioning within a private sector model:

Urban Development Corporations are a formal vehicle through which government entices private developers to participate in fulfilling its economic development objectives. UDCs retain many of the governmental powers of their participating public agencies while not being subject to the normal requirements, such as holding public meetings...[they are] ultimately responsible to elected officials, UDCs operate like private firms, employing the

¹⁸⁵ Smyth, 85.

¹⁸⁶ Leo (1988), 27.

entrepreneurial styles and professional image-building techniques more customary in the corporate than in the governmental world"¹⁸⁷

To be sure, a large part of the appeal of urban development corporations is their relative autonomy from local planning authorities. This position allows them the opportunity to implement project plans without confronting bureaucratic barriers which are normally part of the development approval process. This autonomy comes with a price, as implied in the Fainstein quote, since at their worst UDCs can be unaccountable to the interests of those who live and work near the mandate boundary. Moreover, public consultation is often replaced with expensive publicity and public relations programs.¹⁸⁸

In a performance review of British UDCs over the last decade, Andrew Coulson explains that because original UDCs were intended to have short lives of ten years or less, it was essential for their management teams and directors to be capable of showing quick physical results. Consequently some directors divided the UDC mandate area into 'flagship' bricks and mortar projects, and revitalization activities and issues that were more social and political in nature, viz. if they did not render immediate tangible results, those project types were less of a priority. Other problems, according to Coulson's retrospective, was that some of the UDCs did not possess adequate design or project management capabilities, therefore a great deal of money was spent on outside consultancy rather than an in-house staff.¹⁸⁹ Moreover, the independence and power enjoyed by UDCs made it difficult for local planning authorities to realize their own long-term community plans. The relationship between local planning authorities and UDCs was, according to Coulson's review, an uneasy tension over territory, public accountability, and authority to implement plans. Coulson suggests these weakness can be overcome with greater democratic

¹⁸⁷ Fainstein (1994), 111.

¹⁸⁸ Andrew Coulson, "Flagships and Flaws - assessing the UDC decade," *Town and Country Planning* Nov. (1990): 302.

¹⁸⁹ *Ibid*, 300.

involvement and the inclusion of longer-term time-frames; even though 'autonomy' is the selling feature of UDCs, Coulson argues that local planning authority participation must still be part of the project, and in that sense, part of the partnership.¹⁹⁰

Perhaps one of the most interesting ironies is that while, on the one hand, UDCs and other public-private strategies are presented as reducing 'state intervention' and returning to traditional laissez-faire liberalism, on the other hand, in reality these approaches exemplify significant public intervention through the use of public capital. Coulson argues that these forms of urban development simply "...changed the form of intervention and increased rather than reduced state subsidies".¹⁹¹ Nevertheless, the fundamental issue is whether UDCs have successfully achieved their objective over the last decade. Micheal Parkinson's analysis is similar to Coulson, he suggests three broad criteria for evaluating UDCs:

- Efficiency: What have the UDCs achieved in terms of the physical regeneration of their areas, and how successful have they been in creating private sector confidence and investment?
- Accountability: How satisfactorily have the UDCs worked with other agencies in their area; in particular how responsive have they been to their local authorities and communities?
- Equity: To what extent have the benefits of revitalization (especially job creation) achieved by the UDCs been widely equitably shared?¹⁹²

In reply to his own criteria Parkinson suggests UDCs have achieved limited success; that is, they have been unable to successfully create a balance between social, economic, and physical regeneration necessary for permanent and meaningful downtown revitalization.¹⁹³

¹⁹⁰ Ibid., 302.

¹⁹¹ James Anderson, "The New Right, Enterprise Zones and Urban Development Corporations," *International Journal of Urban Regional Research* 14:5 (1990): 468.

¹⁹² Micheal Parkinson, "Merseyside - testing the UDC strategy to the limit," *Town and Country Planning* Nov. (1990): 306.

¹⁹³ Ibid, 307.

Consistent with other urban development commentary, Parkinson suggests that UDCs have played a useful role by energizing the debate about planning agencies and urban revitalization policies, but these organizations have not yet provided adequate solutions.

To be sure, the form and final results of UDCs and public-private partnership interventions differ significantly from project to project and from city to city. Cummings, Koebel, and Whitt suggest four factors which facilitate inequities between the public and private sector: information, risk, capital, and power.¹⁹⁴ The asymmetrical relationship between the private and public sector as to how much information, risk, capital, and power each one has, more often than not leaves the public negotiator in a disadvantaged position. This disadvantage stems from the fact that local officials are not driven by the same financial calculus as the private sector; more specifically, the private sector is not responsible for reversing the deteriorated condition of downtown areas. To be sure, it is to the private sector's advantage to ensure that the area where they do business does not fall apart, but realistically, business can relocate, city government can not. In general, business decisions are made based on a combination of the aforementioned four points, all of which are part of a comprehensive market analysis. However, while public sector partners do not always possess all the components, they are still ultimately responsible for creating an effective revitalization strategy. The authors state: "Public sector partners do not have the political or financial flexibility to allow them to walk away from the negotiation table. If market forces have driven the downtown into deterioration, local officials do not have access to the money or power to finance urban redevelopment by themselves."¹⁹⁵ These factors put the public sector at a significant disadvantage.

¹⁹⁴ S. Cumming, C. Koebel, J. Whitt, "Redevelopment in Downtown Louisville: public investment, private profits, and shared risks," in Unequal Partnerships (New Brunswick, N.J.: Rutgers University Press, 1989): 215.

¹⁹⁵ *Ibid.*, 216.

3.5 Summary

Both this chapter and the previous chapter suggest that public policy has played a significant role in the evolution of Canadian urban form. To be sure, public-private partnerships and urban development corporations exemplify the organizational contribution and economic investment of government to urban redevelopment. That is, while public-private partnerships and UDCs suggest that the government is playing a lesser role, research into downtown revitalization suggests that this role has simply changed; the change is illustrated in the way the public sector has modified its approach from regulation to stimulation of development. In other words, the role of public policy and the evolution of urban redevelopment programming has shifted urban development toward the 'entrepreneurial' city, as opposed to the 'controlled' city.

Directly related to the pursuit of the entrepreneurial city is the search, especially at the local level, to establish new alliances and to create the organizational capacity in which to facilitate economic development. This trend is exemplified in UDCs and public-private partnerships in both Canada, the United States, and Britain. To be sure, these new alliances include non-governmental actors, but as indicated by Mintzberg, Downs, Werna, and Fainstein, new alliances also create new trenches which have to be traversed and tensions that have to be reconciled. In other words, new alliances must be cognizant of the different roles that the public and private sector play in society. Organizational models, from either sector, are not necessarily fully transferable and applicable. For example, "[p]ublic organization are those created by law whose job it is to administer the law, [to provide non-profitable public goods], and whose budget come from the public in the form of taxes."¹⁹⁶ The private sector, on the other hand, bases its existence on the laws of supply and demand. Nevertheless, the question of what perspective and role local planning authorities and the state plays is, in terms of balancing the priorities of the public and private sector, according to Mayer dependent upon the capacity of local decision-makers to act:

¹⁹⁶ Vasu, 4.

"...the new bargaining structures [are not] *per se* more biased toward private business than the old form of urban governance which emphasized the separation between public benefit and private profit. Their concrete shape, their degree of responsiveness and openness, will depend on how actors on the local level will seize and struggle over the opportunities..."¹⁹⁷

Alan Artibise also argues, in the paper "Multi-Governmental Urban Development: the next frontier for Canadian public policy", that along with, as Mayer characterizes, the new bargaining structures new intergovernmental relationships will have to emerge with the local level playing an increasingly important role. Artibise suggests that local government will also have to strengthen its relationship with community groups, institutions, and the private sector by being "...aggressive participants in terms of decision-making, finance, and (most importantly) in terms of leading public opinion."¹⁹⁸

The literature review also suggests that innovation plays a key role in contemporary planning and decision-making environments. If, for example, local governments will play a larger role, one which includes a diversity of participants, the idea of identifying innovative approaches for urban redevelopment is critical. According to the research findings, organizational innovation enables the orchestration of new alliances which in turn means learning new rules of how 'the deal' is transacted. Research suggests the deal is transacted through 'negotiated development'; this concept suggests that development occurs within the context of a give-and-take scenario, but it also suggests, as does the findings of the literature review, that it is a contingent approach: viz. contemporary urban redevelopment draws from various frames of reference and decision-making is grounded in the socio-political context. In other words, the mechanistic structures of classic bureaucracy, exemplified in urban renewal, are not appropriate for downtown revitalization because the

¹⁹⁷ Mayer, 245.

¹⁹⁸ Alan Artibise, "Multi-Governmental Urban Development: the next frontier in Canadian public policy" (University of British Columbia: School for Community and Regional Planning, 1988) 20.

planning and decision-making structure must have the capacity to innovate. The reason, according Nord and Tucker's definition of innovation is that, "[t]he more radical an innovation, the more learning and unlearning must take place, and therefore the more modifications must be made in existing structures and processes."¹⁹⁹ As the concept of post-Fordism suggests, contemporary urban development will continue to face technological and economic change therefore innovation is critical to future planning practice. Drawing from organizational and contingency theory this idea is expanded upon in the next chapter.

3.6 Research Application

If, as the literature review indicates, the public sector, particularly at the local level , is shifting toward a greater emphasis on entrepreneurialism and thus are in search of new alliances with non-governmental actors, research into how the public and private sector create 'innovative' planning and decision-making environments is relevant. As Mayer states:

To coordinate these various policy fields and functional interests, new bargaining systems have emerged, and new forms of public-private collaboration, in which the role of the local authority both in respect to business and real-estate interests, and in respect to the voluntary sector and community groups, is becoming redefined.²⁰⁰

The North Portage project is an excellent example of the "new bargaining systems" and of organizational innovation. To be sure, this project exemplifies intergovernmental collaboration which was based on reversing the investment inertia in downtown Winnipeg.

¹⁹⁹ Walter Nord & Sharon Tucker, Implementing Routine and Radical Innovation (Toronto: Lexington Books, 1987) 11.

²⁰⁰ Margit Mayer, "Urban Governance in the Post-Fordist City," in Patsy Healey et al., Managing Cities: the new urban context (New York: Wiley, 1995) 232.

Moreover, the project itself represents a significant urban development trend of redeveloping derelict or, in this case, affording significant public and private investment in a neglected part of downtown. To be sure, while abandoned industrial sites along urban waterfronts present great potential with respect to developing festival marketplaces and water-based public amenities, revitalizing the heart of a city centre represents a strategic point of intervention from a city-wide perspective. That is, allowing the city centre to deteriorate beyond repair will have significant negative impacts on businesses in the immediate area, as well as for commercial interests and live-ability of the rest of the city. As such, the experience also provides key lessons for urban planning practitioners, from both the public and private sector, with respect to identifying key planning and development tools used to stimulate private sector investment, as well as identifying the pitfalls of the process. To be sure, planning practitioners considering embarking on a revitalization project, must develop an understanding of downtown development trends, revitalization principles, 'best practice' approaches, and must be able to comprehend the key issues inherent in public-private partnerships .

Applying the key concepts from the literature review and, as the next chapter details, using Bolon's analytical framework, the North Portage case study chapter will examine the events leading up to the initiative, the objectives of the project, and the key components of the planning and development process exercised by the public sector which facilitated private sector investment. More specifically, the case study puts the North Portage project in historical context and analyzes the role of key planning and decision-making process actors. By doing this it becomes clear that North Portage is consistent with other revitalization experiences, yet also how distinct the arrangement was in terms of harnessing local resources, in terms of knowledge accumulated from past development experience, and in pursuing financial and political opportunities which were available at that time. Moreover, it also becomes evident that, in light of chapter two and this chapter, the

project also suffered from the some of the inherent criticisms of downtown revitalization; for example, an inadequate public process and public communication program.

To be sure, the point of the practicum research is to ground theory in 'real-life phenomena', therefore based on the North Portage process we can see how downtown revitalization theory, both supportive and critical, is applied to practice, but we can also see how practice can inform theory. The concluding chapter analyzes the type and level of innovation which occurred during the project, the type of partnership and relationship between the public and private sector, and finally, summarizes the key lessons from the North Portage process. The next chapter provides greater of detail of the research design and case study methodology.

Chapter Four

Practicum Methodology

4.0 Introduction

This chapter is a synopsis of the practicum methodology and begins with a brief explanation of case study methodology and the rationale for using this methodology for the investigation. The chapter concludes by summarizing the key components of the research design and data collection process.

4.1 Case Study Methodology Rationale

Case study methodology is a common research strategy in psychology, sociology, political science, and urban planning.²⁰¹ Case studies are also used in business and economics to develop an overall description of an issue before applying more specific classifications and statistical analysis.²⁰² In each discipline the case study method allows the researcher to gain a well-rounded view of complex social phenomena such as individual life cycles, organizational and managerial processes, neighbourhood change, international relations, and the maturation of industries.²⁰³

"The essence of the case study [or] the central tendency among all types of case study, is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented, and with what result".²⁰⁴ Another way to conceptualize case study methodology is to view it as an approach which links:

1. The phenomena;
2. The relationship between the phenomena and the context;

²⁰¹ Robert Yin, Case Study Research: Design and Methods (London: Sage Publications, 1984) 14.

²⁰² Julian Simon & Paul Burstein, Basic Research Methods in Social Science (New York: Random House, 1985) 37.

²⁰³ Yin, 14.

²⁰⁴ Ibid., 23.

3. The boundaries between phenomena and the context when the link is not clear.
4. Multiple sources of quantitative and qualitative evidence.²⁰⁵

Based on the case study approach and the parameters of the methodology, the investigation of the North Portage project therefore applies the technique because: (1) the North Portage project addressed complex 'real-life' phenomena in the form of social, physical, and economic downtown decline; (2) the project involved a number of 'actors' from the public and private sector all of which had particular objectives and roles throughout the initiative; (3) the project is a good example of a complex decision-making process; and (4) an investigation of the North Portage development project necessitated the type of methodology which could take an interdisciplinary approach to explaining the complex social, political, and economic circumstances preceding the initiative and the context in which the deal took place. In other words, the relationship between the phenomena, context, and planning and development decisions were interconnected.

4.2 Data Collection

This section provides an overview of the research design, interview process, and analytical technique of the practicum research.

4.2.1 Research Design

The flow chart (figure 8) illustrates the research design of the case study. First the researcher conducted a thorough literature review of material associated with downtown redevelopment history and theory. The literature review included management and organizational theory. Second, based on the findings of this literature review, the

²⁰⁵ Ibid, 23.

researcher identified critical factors in downtown revitalization. This material was used as the basis for creating the interview questions with the objective of probing the way in which North Portage Development Corporation was able to stimulate investment, facilitate development, and fulfill the objectives of the revitalization strategy. The key informants were queried about their role and experience in the North Portage planning and development process. Prior to the initial interview, the questions were first tested and subsequently simplified and refined in preparation for the final interview process. The information from the key informants assisted the investigator in completing and enriching the North Portage 'story', in comparison to other available North Portage documentation, and modifying urban planning theory in relation to downtown revitalization.

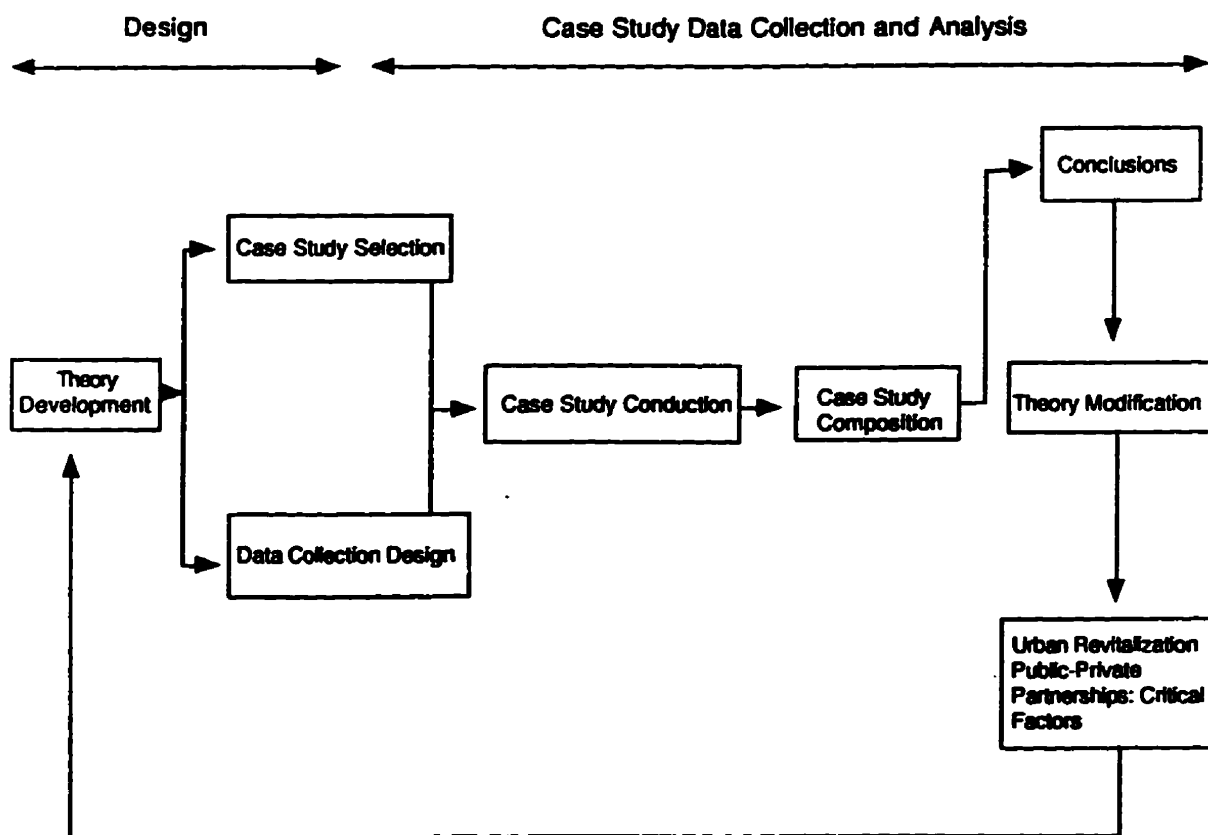


Figure 8
Practicum Case Study Methodology
 Source: Modified from "Figure 2.3 Case Study Method"
 in, Robert Yin Case Study Research: Design and Methods

4.2.2 Participant Selection

The case study interviews focused on informants who were key players in the planning and development process. Using a 'decision-tree' identification process, the players identified other players in the North Portage project . This process allowed the informants to identify who they thought were the important players in the project. As names of particular individuals were repeated over and over it became evident who the pivotal process actors were.

4.2.3 Participant Contact

Each interview participant was sent a package containing two letters and the most recent financial statement of The Forks North Portage Partnership. The last item was submitted for their information. The first letter was a letter of introduction from the President and CEO of The Forks North Portage Partnership, and the second was a letter from the investigator requesting an interview, briefly introducing the research topic, and what the informant could expect to be asked during the interview process. One week after the information package was mailed each person was contacted and an interview time and location, at their convenience, was organized.

4.2.4 Interview Process

The informants participated in a "focused" interview lasting, on average, one hour. The focused interview method permits the interviewer to ask a particular set of questions, however the questioning is open-ended to the extent that the interview assumes a conversational manner.²⁰⁶ The researcher found that it was critical to ensure the informant did not feel in anyway threatened by the questions. The process was set up to make the

²⁰⁶ According to Robert Yin the "focused" interview is the middle ground between an "opened-ended" and "survey" interview. The latter entails formally structured questions, while the former the investigator can ask the informant about facts and events and is very reliant on the quality of the key informant.

informants feel as though their experiences were a valid contribution to planning practice. As such the informants were not being questioned on their role, in a critical way, rather they were helping piece together the history of the North Portage development process.

4.2.5 Analysis

After transcribing the interview tapes, the text was initially divided into content units. The content units grouped the interview material under topic areas. The purpose of this process was to assemble like and contrasting ideas of the informants. These idea groupings were then transposed onto the theoretical framework for the case study analysis.

The material from the transcribed interviews completed the North Portage 'story'. Official documentation and consultant reports offer a basic outline and pertinent details. However, the experiences of the key actors enabled the investigator to piece together a richer and more detailed profile of the project than available in any of the other documentation.

Following the completion of the interview process and, based upon theoretical materials, the investigator was able to draw conclusions, modify the theory, and develop a contingency matrix based upon the North Portage research findings. This matrix illustrates the key variables and critical factors of downtown revitalization based upon both the theoretical propositions from the literature review and the real-life experience of downtown revitalization practitioners.

4.2.6 Research Parameters

The research effort focuses on Phase I of the North Portage development process. This phase, approximately the five to eight years, represents the main thrust of the planning, decision-making process, and the construction period.

While the mandate area of NPDC extends north to Notre Dame Ave., the investigation focuses its attention on the land owned by NPDC because the ownership area

was the priority of the development plan. Insofar as the objective of this investigation is to examine the role of an UDC and public-private partnerships in downtown revitalization, this area of North Portage is the most relevant.

Chapter Five

A Case Study of the North Portage Downtown Revitalization Project

Part I: Contingency Factors Leading to the North Portage Revitalization Project

5.0 Introduction

This chapter is divided into two parts. Part I provides an overview of downtown Winnipeg's development history. By situating the North Portage revitalization project in historical context, we obtain a clearer understanding of the phenomena that influenced the decline of downtown Winnipeg and the subsequent planning interventions. In other words, the overview describes the social, economic, and political context and the evolution of Winnipeg's approach to downtown redevelopment. This evolution is examined in relation to contingent factors such as the inability to change the deteriorating state of the North Portage area through a regulatory framework, the funding opportunity afforded by the CAI, and the general willingness on the part of politicians and the public at large to see a publicly-led development on the North Portage site.

While Part I takes a broader view of the North Portage project, Part II of this chapter uses Bolon's conceptual framework to structure the case study analysis of the practitioners' experiences. The data is drawn from the experience and reflections of the project practitioners and is directly applied to Bolon's variables sets. Unlike Part I which looks more at the 'facts' of the project, this second part examines material which the practitioners themselves identify as critical. In doing so Bolon's categories both give structure to the analysis by identifying the key variables, and second, is flexible enough to enable the researcher to identify 'the state of the art' according to practice. The last chapter, based on the analysis of the case study, introduces a matrix which identifies the key variables and factors of downtown revitalization as a contribution to planning practice.

5.1 Downtown Decline in Winnipeg

Until the end of World War II Winnipeg's predominant retail, commercial and institutional uses, and residential population lay between the Red River and Memorial-Isabel, the Assiniboine River and the Canadian Pacific Railway (see Map 1).²⁰⁷ In the interwar and post-W.W.II era Winnipeg's growth pattern, like many cities across North America during this period, began to spread away from the downtown core. In Winnipeg, for example, automobiles began to replace the streetcars and middleclass suburban housing was established in St. James and Tuxedo, St. Vital and Fort Garry, and East and West Kildonan.²⁰⁸ The relocation of manufacturing also played a role as firms moved from downtown locations to larger less expensive suburban sites. Though Winnipeg has retained some manufacturing in the downtown area, most notably in the garment and printing industries, modern suburban industrial parks have replaced older manufacturing areas.²⁰⁹ In addition to the above factors, the growth of suburban retailing has also had a significant effect on Winnipeg's city centre. Between 1954 and 1973 twenty-five shopping centres opened in Winnipeg, with the majority built between 1961 and 1966. During the latter period downtown's share of the metropolitan retailing fell from 36.7 to 31.8 per cent.²¹⁰ To be sure, the tension between suburban and downtown Winnipeg is heightened due to the sluggish economy and the slow rate of population growth in the metropolitan area. The discussion now turns to examine the historical details of Winnipeg's downtown decline.

The growth and development of prairie cities, particularly Winnipeg, is often divided into two distinct periods: before and after the pre-W.W.I economic boom. According to Alan Artibise,

²⁰⁷ D. Lyon and R. Fenton, "The Development of Downtown Winnipeg: historical perspectives on decline and revitalization," Occasional Paper #98 (Institute of Urban Studies: University of Winnipeg, 1984) 86.

²⁰⁸ George Nader, *Cities of Canada: Profiles of Fifteen Metropolitan Centres* (Toronto: Maclean Hunter Press, 1976) 279.

²⁰⁹ *Ibid.*, 280-281.

²¹⁰ *Ibid.*, 282.

The year 1914 was pivotal in the history of prairie urban development. Before lay prosperity and rapid growth, after came three decades of relative stagnation and almost continual crisis. This second era in prairie urban development was one in which both the major cities and the region itself suffered substantial declines in their growth rates.²¹¹

In Winnipeg specifically, as indicated by Artibise, prior to the second era the city experienced significant growth. For example, in Winnipeg the economic boom of the late 1800's established a retail strip along Main St. and to the north of Portage Avenue and by 1874, there were nineteen general stores including a hardware store, dry goods, furniture, butchers, book shops, hotels, and eleven lawyers and eight doctors.²¹² Until 1905 when Timothy Eaton opened the T. Eaton Company on the Portage-Graham-Donald-Hargrave site, Portage and Main was the central retail area.²¹³ With the arrival of Eaton's, retail activity began to move west along Portage Ave. which shifted the land values to from Main St. to Portage Ave. (Map 1). The T. Eaton Company "... store became so successful that it generally has been credited with sparking the subsequent redevelopment which occurred on Portage Avenue between Donald and Main".²¹⁴ The Hudson's Bay Company (HBC) also contributed to Portage Ave.'s retail activity. However, due to the recession and war, though announced in 1911, the store did not open at its Portage and Memorial location until 1925.

²¹¹ Alan Artibise, "Continuity and Change: Elites and Prairie Urban Development, 1914-1950", in Alan Artibise & Gilbert Stelter, eds., The Usable Urban Past: planning and politics in the modern Canadian city, (Carlton University, Institute of Canadian Studies: MacMillan of Canada, 1979)132.

²¹² Lyon & Fenton, 90.

²¹³ Ibid., 92.

²¹⁴ Ibid., 94.



Map 1

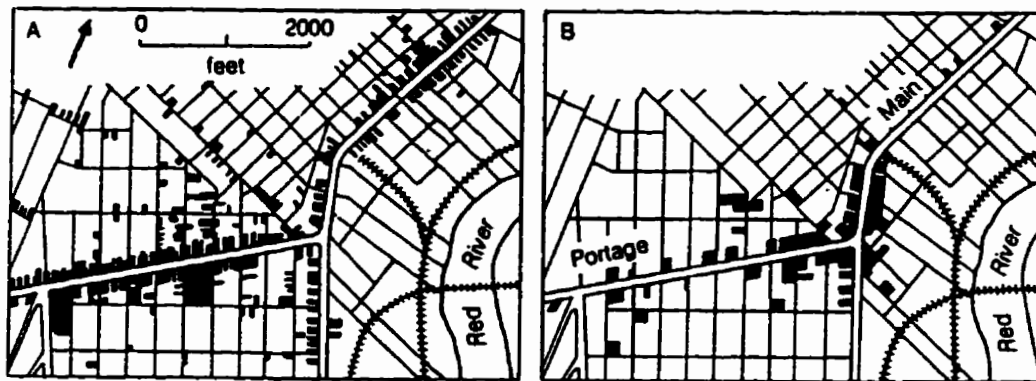
Downtown Winnipeg: as defined by Downtown Winnipeg Zoning By-Law 4800
 Source: City of Winnipeg Planning Department CentrePlan: Downtown Handbook, 1993

Between 1914 and 1945 Eaton's and the HBC were the retail anchors to smaller department stores along the south side of Portage Ave. By the late 1940's Portage Ave. replaced Portage and Main St. as Winnipeg's premier shopping district thereby establishing current land use patterns: retailing along Portage Ave. and office functions clustered toward Portage & Main area (Map 2). In terms of Portage Ave. retailing, while both sides of Portage Avenue had small retail outlets, the north side was characterized by a variety of services and billiard and bowling outlets, as well as residential uses.²¹⁵ To be sure, the north side of Portage Ave. did not share the same type of development success. For example, commenting in the mid-1970's, Nader stated: "The north and south side of Portage Ave. within the shopping district offers an interesting contrast; on the south side are found higher values, bigger and more modern buildings, more important stores, higher pedestrian traffic, and lower vacancy rates"²¹⁶ (See Map 3). According to post-W.W.II planning studies there were also residences south of Graham, north of Portage, north of

²¹⁵ Ibid., 98.

²¹⁶ Nader, 287.

Notre Dame, and north of Alexander on the east side of Main Street; however, commercial uses and rising land prices eventually displaced many of these residences.²¹⁷ Planning studies also indicate that very few single-family dwelling existed, rather rooming houses, multi-family dwellings and mixed residential and commercial structures as the dominant land uses.

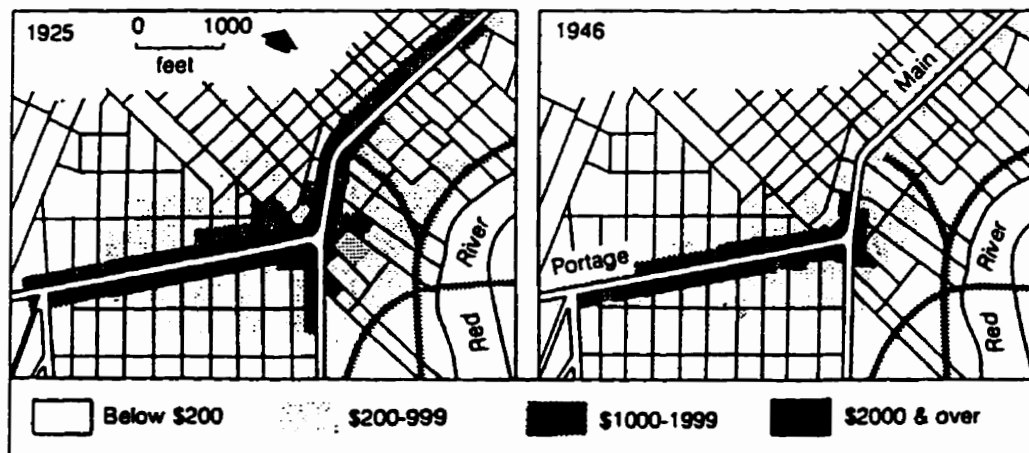


A: Retail

B: Office

Map 2

Winnipeg Central Business District: Retail and Office Uses, 1948
Source: George Nader, *Cities of Canada: Profiles of Fifteen Metropolitan Centres*



Map 3

Central Business Land Values Per Foot: Comparison Between 1925 & 1946
Source: George Nader, *Cities of Canada: Profiles of Fifteen Metropolitan Centres*

²¹⁷ Lyon & Fenton, 62.

During the depression of the 1930's rehabilitation and renewal of building stock did not occur and, as a result, the city emerged from W.W.II with a considerable portion of its downtown buildings and facilities in a deteriorated condition.²¹⁸ Indeed, by the mid-1940s the downtown area was in a state of physical and social decline with buildings and streets in need of repair. To be sure, by the late 1940's, the North Portage area was overcrowded and had substandard unattractive housing. After W.W.II the combined forces of pent-up consumer demand, the release of war savings, and a growing population, the suburban periphery expanded leaving older deteriorating parts of Winnipeg behind.²¹⁹ Urban historians even date Winnipeg's suburban expansion prior to W.W.I between 1904 and 1914; according to this argument significant physical, economic and residential expansion was already occurring thereby establishing Winnipeg's decentralized settlement and land use pattern.²²⁰

The population of the suburban municipalities increased from approximately 80,000 in 1941 to 310,000 in 1973.²²¹ This pattern of migration continued, and sped up after 1961 and into the 1980s; viz., whereas downtown Winnipeg had 73.5 percent of the metro-area population in 1941, the proportion dropped dramatically to 66 percent in 1951, 55.8 percent in 1961, 45 percent in 1971, and 35.5 percent in 1981. Indeed, Winnipeg's total downtown population decreased by 58,135 or almost 22 percent of the population that it had been in 1961. As of 1981, the population of the old city had fallen to the level experienced in the later 1920s.²²² The rate of population change is dramatically illustrated in the 25% decline between 1971 and 1981.²²³ The phenomena connected to population change were investment patterns which favoured business development and employment creation in suburban areas. In other words, suburban investment facilitated the erosion of

²¹⁸ Ibid., 17.

²¹⁹ Ibid., 17.

²²⁰ Ibid., 18.

²²¹ Ibid., 53.

²²² Ibid., 53.

²²³ Community Inquiry Board, "Community Inquiry into Inner City Revitalization, Final Report" August (1990): A5.

the CBD's economic role as regional shopping centres and modern industrial parks drew residents, commercial activity, and industry away from the downtown area²²⁴. Given these trends, the absence of market demand for downtown redevelopment negated any plans for notable reinvestment in post-1930's deteriorated buildings.

Lyon and Fenton's historical analysis of Winnipeg's downtown development argues that the legacy of post-war period of suburban expansion and fragmented redevelopment strategies continues to haunt the downtown area. To be sure, in addition to the above contributing factors, Winnipeg's downtown decline is also related to the city's overall slow growth economy. From the mid-1950's onward the City of Winnipeg lost its original role as the 'gateway' to the west and, as a result of losing this stature, the economic spin-offs from provinces west of Manitoba decreased significantly. With decreasing financial opportunities the city was challenged to first, address the physical deterioration of downtown, and second, as investment in the suburbs continued, to attract a 'critical mass' of financial resources and residents back into the downtown area.²²⁵ However, researchers²²⁶ also indicate that while slow economic growth is a critical factor in Winnipeg's downtown decline, the following are also contributing factors:

1. Failure of political will to restrain suburban expansion;
2. Split jurisdiction among municipalities before Unicity;
3. Yet, under Unicity, the lack of will by suburban councilors to invest in downtown;
4. Inflexible downtown tax assessments;

²²⁴ Ibid., A5.

²²⁵ Ibid., 140.

²²⁶ See, Earl Levin, "Beyond the Core Area Initiative; prospects for downtown Winnipeg," Occasional Paper #91 (Institute of Urban Studies: University Of Winnipeg, 1984); Christine McKee & Lloyd Axworthy, "Revitalizing the Downtown Core: the role of an urban development corporation" (Institute of Urban Studies: University Of Winnipeg, 1978); D. Lyon and R. Fenton, "The Development of Downtown Winnipeg: historical perspectives on decline and revitalization," Occasional Paper #98 (Institute of Urban Studies: University of Winnipeg, 1984).

5. Land speculation which left a legacy of empty lots in the downtown area.²²⁷

Finally, as argued by Earl Levin, Winnipeg's institutional structures have proven unimaginative in light of the economic reality. In other words, Levin suggests that in a slow growth economy such as Winnipeg, traditional roles played by the private and public sector are counterproductive to effect change. He states: "What is required is a much more direct and much closer relationship between the public sector and the private sector in the planning, financing and carrying out of selected critical development projects"²²⁸ To be sure, the market alone did not facilitate, as was occurring in other city centres in North America, a gentrification process in downtown Winnipeg. Moreover, though between 1965 to 1980 downtown Winnipeg was the subject of four planning processes, involving at various times all three levels of government, none were truly able to reverse the distress of the city centre.²²⁹ As McKee and Axworthy stated in 1978: "Continuing attempts by different levels of government and the private sector to revitalize the downtown area have not been entirely successful. Policies and programs up to the present time have been ad hoc and fragmented....".²³⁰

A survey of Winnipeg's revitalization history indicates that since the 1940s downtown Winnipeg has suffered from lack of investment, a slow-growth economy, and municipal policy that has allowed or facilitated Winnipeg's decentralization. More specifically, in light of the concerted programmatic efforts afforded to the downtown since the 1960s, two key issues are evident: economic restraint and unresponsive institutional

²²⁷ Lyon & Fenton, 52.

²²⁸ Levin, 12.

²²⁹ The four processes are: the proposals for a new official plan, Plan Winnipeg; a report by a tri-level task force on downtown development; a review and endorsement by the new Unicity council for the policies of the former Metro govt for downtown development; and the preparation of the official downtown plan by the Metro Corp. of Greater Winnipeg in 1969. From D. Lyon and R. Fenton, 162.

²³⁰ Axworthy & McKee, 4.

structures with respect to regulatory changes, and inflexible planning and development process have contributed to downtown redevelopment inertia.

5.2 Situational Factors: The Context for Organizational Innovation

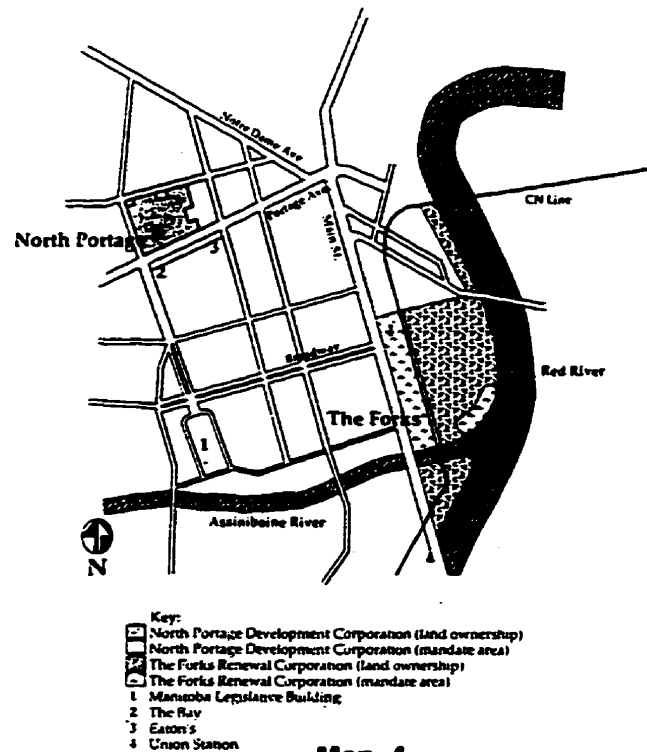
At the end of the 1970s Winnipeg's inner city was the subject of a tri-level government program, the Core Area Initiative (CAI). The purpose of the CAI I (1981-1986) and CAI II (1986-1991) was to implement a comprehensive program of social, economic and physical public sector investment as a means towards stimulating private sector activity and addressing social issues in the inner city. The Federal and Provincial governments, and the City of Winnipeg each contributed \$32 million toward a \$96 million five year revitalization strategy.²³¹ The government was responding to Winnipeg's core area concentration of poverty and growing native and ethnic immigrants, populations whom often lacked the education and skills necessary for the job-market, or capital for business improvements.²³² However, in addition to, for example, housing renovation, employment training, small business support, and the creation of various community programming and facilities, the CAI was also responsible for the revitalization of north of Portage Ave. under Program Seven of the mandate.

North of Portage Ave²³³ is a triangular area of the downtown Winnipeg bounded by Portage Ave, Hargrave, Colony\Balmoral, and Notre Dame Ave.

²³¹ Gerry Couture, "Winnipeg's Tripartite Model," *Plan Canada* March (1992): 28.

²³² Matthew Kiernan, "Coordination for the City Core," *Policy Options* September (1985): 23. Also see Matthew Kiernan, "New Directions for Canadian Urban Policy: Winnipeg's Core Area Initiative," *Cities* November (1986).

²³³ North of Portage Ave will be referred to as the area North Portage.



Map 4
North Portage in Relation to Key Downtown Sites
 Source: The Forks North Portage Partnership Information Brochure

Located in the heart of the downtown, the decline of North Portage had come to symbolize what was wrong with downtown Winnipeg.²³⁴ Suffering from an absence of private and public sector investment, according to a study completed by the Department of Urban Affairs, the existing buildings in the area were old and in a state of disrepair, and the residential population was characterized as low income, transient, and in proportion to the general population, dependent on social assistance.²³⁵ The research suggested that the state of decline in North Portage demanded immediate and substantial attention; for example, a study by the Provincial government stated that the North Portage situation was bad and would likely get worst unless significant public intervention occurred in the area; the document argued that due to the lack of private investment confidence "a major change in the physical environment spearheaded by the public sector is required as a precondition to private investment".²³⁶

²³⁴ Department of Urban Affairs, Province of Manitoba, "North of Portage Development Study," August (1981): 1.

²³⁵ Ibid., 1.

²³⁶ Ibid., 8.

Local merchants agreed, according to a 1981 consultants report, that upgrading Portage Avenue was necessary in addition to reducing taxation which merchants felt, in comparison to suburban locations, was assessed too high.²³⁷ However the CAI, while contributing to building the "...confidence in the private-investment community and refocus[ing] private spending into the core."²³⁸, was unable to successfully fulfill Program Seven of their mandate: "By 1983, the North Portage segment of the CAI had produced empty lots, but no plan to fill them". The public, the media, and the political process began to have serious doubts whether the CAI was capable of revitalizing North Portage. According to a key informant, the CAI failed on at least four accounts: first, the expropriation process was mishandled thereby opening up the agency to attacks on its credibility; second, the CAI was perceived as too close to the political process; third, the lack of input from the private sector in the planning and decision-making process alienated business interests; fourth, the CAI agency had limited planning and development powers, nor did the agency created a viable redevelopment strategy for the North Portage area.

In light of the public scrutiny and criticisms over the redevelopment of North Portage by the CAI, a tri-level Administrative Task Force was created to review development proposals and procedures, and to recommend a specific course of action. Consisting of two officials appointed from each level of government, the mission of the Administrative Task Force was to formulate a redevelopment strategy and to recommend an implementation mechanism; i.e., to introduce an organizational model with the capacity to carry out a redevelopment project of the North Portage scale. The Administrative Task Force concluded that the objectives of the North Portage should be:

1. To stimulate job creation and increase employment activity in the development area with an emphasis on quick-start projects;

²³⁷ Ibid., 9.

²³⁸ Dana Stewart, "A Critique of the Winnipeg Core Area Agreement," Canadian Journal of Urban Research 2:2 (1993): 150.

2. To encourage the participation of the private sector to complement public projects in the development area in order to stimulate new private investment;
3. To maximize overall investment through a mix of recreational, cultural, commercial and residential uses compatible with Plan Winnipeg and with the needs that may be identified through the public consultation process;
4. To identify specific components to attract more people to the North of Portage area and to enhance the economic and social viability of the downtown area²³⁹

5.3 Creating a Revitalization Vision for North Portage

The Administrative Task Force invited interested parties to present their ideas by holding a public forum, and reviewing the development proposals received from developers. Interested parties included public and private housing and commercial developers, seniors groups, the North Portage neighbourhood council, non-profit organizations, cultural and arts groups.²⁴⁰ The Administrative Task Force also reviewed an inventory of 200 downtown revitalization approaches and case studies from across North America. The four main approaches were: retail based shopping, specialty and festival retailing, mixed-use centres, and projects involving arenas, sportsplexes and dome stadiums.²⁴¹ Based on case study experiences and the Winnipeg socio-economic context the Administrative Task Force concluded that the North Portage revitalization strategy would be a mixed-use retail development . The development would include:

- 200,000 square feet of retail space
- 1,100 residential units, including 300 non-market units of housing
- 200,000 square feet of office space

²³⁹ North Portage Administrative Task Force, Technical Report: North Portage Administrative Task Force July 1(1983) 2.

²⁴⁰ Ibid., 9.

²⁴¹ Prior to establishing the Final Concept and Financial Plan, two controversial ideas were proposed: building an arena and bending Portage Ave. Both of these ideas were eventually rejected.

- Union Centre with 100,000 sq. ft. of office and ancillary space
- 1,500 parking stalls, opens spaces and weather-protected passageways
- a 350 room quality hotel
- cultural, training, and fitness facilities
- retention of existing Isbister School and YMCA buildings, and attention to the needs of the Royal Winnipeg Ballet
- a new Science Place Canada on former St. Paul's College site
- improvements to the existing North Portage neighbourhood, including development of a community centre²⁴²

The Administrative Task Force concluded that integrating the above uses would be the catalyst for private investment and would create a vital downtown community. To be sure, the ultimate goal of the Administrative Task Force's recommendations was to create "...an imaginative setting which reinforces Portage Avenue as Winnipeg's major historical shopping axis serving city residents as well as tourists".²⁴³ In making their planning and development recommendations and, ultimately, creating the framework with respect to project implementation, the government sent a powerful action-oriented message to Winnipeg and the private sector development community: there was the political will, the financial resources, and the organizational capacity in which to facilitate significant change in the North Portage area.

The NPDC development program was originally capitalized to the amount of \$71 million with a borrowing authority of \$20 million. As stated in the Unanimous Shareholder's Agreement each Shareholder committed \$22 million dollars and collectively agreed to transfer \$5 million dollars from the Program 7 of the CAI to the NPDC.²⁴⁴ Under 7.1-7.5 of the program CAI land was acquired and cleared, and subsequently

²⁴² Ibid., 63.

²⁴³ Ibid., 63.

²⁴⁴ Manitoba Provincial Auditor, 3.

transferred to NPDC, at an estimated net cost of \$8.45 million for the North Portage development.²⁴⁵ Note that funding allocations in Figure 9 for North Portage also include the revitalization initiatives in the Ellice neighbourhood.

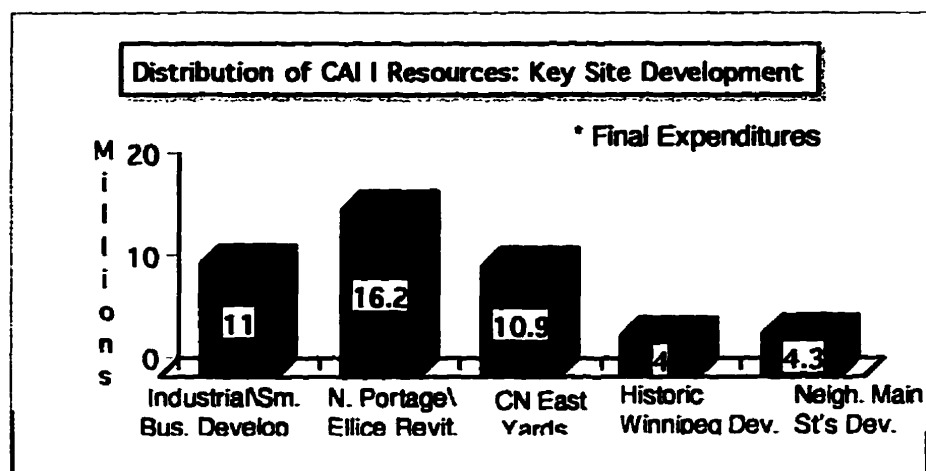


Figure 9

The Administrative Task Force anticipated that in addition to the \$76 million committed by the government bodies, the private sector would participate with an additional \$155 million; this leverage ratio represented slightly more than a 2:1 public/private sector ratio. Moreover, the construction of Phase I was estimated to create more than 7,000 person years of construction jobs generating \$150 million of wages and salaries, and later, would bring more than 3000 new permanent jobs into the North Portage area.²⁴⁶ The result of the original estimation is examined in Part II, *process outcomes*.

5.4 Introducing Organizational Innovation

After a review of the organizational models created in Ontario, British Columbia, Saskatchewan, and Nova Scotia the Administrative Task Force concluded that each implementation model was formed in response to the particular needs and contingent

²⁴⁵ Core Area Initiative, Final Status Report: program activities to September 30, 1987 under the 1981-1986 Core Area Agreement: 71.

²⁴⁶ North Portage Administrative Task Force, 102-104.

factors of the local development context (See Appendix 1 Implementation Mechanisms and Procedures). The Administrative Task Force considered that: first, in the review of North American development approaches, public entities were required as catalysts for private investment to facilitate the development process; second, because the Winnipeg context involved three levels of government the incorporating authority had to accommodate the constitutional governing requirements of each level; and third, the North Portage project had self-imposed time constraints, in addition to a complex range of development needs. In light of the complicated nature of the North Portage project, a provincially chartered community development corporation²⁴⁷ was identified as the most appropriate and viable strategy.²⁴⁸

The North Portage Development Corporation (NPDC) was created pursuant to Part XXI of the Corporations Act.²⁴⁹ The mechanism had to satisfy three key criteria: first, all three levels of government would be satisfied with their representation within the organization's financial and decision-making structure; second, the organization would have the legal and financial power to successfully redevelop North Portage; and third, a quick start was important, therefore a long process to create the entity would not be acceptable.²⁵⁰ A CDC is created under provincial law and is identical to an ordinary provincial corporation except for certain provisions in Sections 262 to 264 of the Manitoba Corporations Act. The following is extracted from the Administrative Task Force Technical Report:

An ordinary corporation created under the Manitoba Corporations Act would have the powers of a natural person combined with the ordinary limitations on financial liability of its shareholders or sponsors. It would

²⁴⁷ Note that the term and definition CDC is specific to Canada; viz. in the USA a CDC is a different type of development corporation. This practicum uses the term UDC as generic type of development corporation in order to reconcile the differences between international research.

²⁴⁸ *Ibid.*, 93.

²⁴⁹ North Portage Administrative Task Force. Executive Summary Report, July (1983) 10.

²⁵⁰ North of Portage Administrative Task Force, 104.

operate through a Board of Directors appointed or elected by its shareholders or sponsors and engage a professional staff to carry out its mandate as directed by its board. Having a separate legal status, it would then be capable of contracting with both the private and public sectors. Such contracts would be binding on the corporation but not on the shareholders or sponsors.

As a CDC, created under provincial law, the NPDC was subject to the City of Winnipeg Act and regular development approval processes as required by the City of Winnipeg.²⁵¹ Also, under section 149 (1) of the Income Tax Act of Canada the NPDC was exempt from paying income tax.

The objective of creating a community development corporation is to provide a catalyzing mechanism for public and private investment. In that sense, the NPDC was created to produce suitable investment and decision-making conditions for the implementation of the North Portage revitalization development plan; viz. the objective of the NPDC was to bring public and private resources, each sector's particular expertise and skills, and to provide a semi-autonomous, flexible institutional context. It was the lead organization responsible for negotiating, mediating, and facilitating the development process between the tri-level government shareholders and the private sector developers.

A community development corporation emerged as the most viable model on several accounts. First, as stated above, the Administrative Task Force had pragmatic reasons based on the experiences of other projects and the tri-level government partnership, but significantly, Winnipeg's development history was also a key factor. For example, in addition to the ineffectiveness of the CAI process, in the 1970's the Trizec development at the corner of Portage and Main St. had left a negative legacy with respect to public-private development dealings. As a key informant commented:

²⁵¹ North of Portage Administrative Task Force, 85.

After the Trizec development "...there was a mind set in the city that the city council negotiating with big high-powered companies had something wrong with it, because everything was politicized and the private side was very unhappy with that because they didn't like their stuff being debated on council floor....there was a Trizec backlash with doing public-private partnerships in such an open way, it spooked a lot of private companies".²⁵²

The problems experienced in the Trizec deal, for example, the undue public expense, lack of planning guidelines, and weak bargaining position held by the city council in part contributed to organizational model of the North Portage initiative.²⁵³ In other words, as a means to counter the credibility problems left behind by both Trizec, as well as the way in which the CAI approached the North Portage project, the NPDC community development corporation model would be: 1) a stand alone entity with no bureaucrats or politicians; 2) have substantial financial resources to complete a mixed-use development project; and 3) have the authority to negotiate deals with the private sector and make decisions, subject to the Shareholders final approval.

5.5 North Portage Development Corporation

The NPDC Board of Directors consisted of ten members: three representatives each from federal, provincial, and municipal governments, and a chairperson mutually agreed upon between all three shareholders.²⁵⁴ According to the NPDC model none of the directors were civil servants or politicians. Instead the NPDC created a Board, as stated above, largely consisting of high profile local business people.

The NPDC Board of Directors were given one hundred days to formulate a comprehensive strategy for the revitalization of North Portage. Within that time-frame the

²⁵² NPDC Administrator

²⁵³ David Walker, The Great Winnipeg Dream (Winnipeg: Mosaic Press, 1979) 137.

²⁵⁴ NPDC and the Forks Renewal Corporation merged in 1994 to form The Forks North Portage Partnership (TFNPP). TFNPP is now governed by one board for both sites.

Board of Directors created the *Final Concept and Financial Plan for North Portage Redevelopment* within the broad mixed-use development framework originally set out by the Administrative Task Force. The purpose of this development plan was to formulate a decision-making guide for the planning and development process. The framework was comprised of a combination of commercial, residential, educational, and cultural and entertainment facilities. Among the original development components was the construction of 1,100 housing units, a major hotel, and 200,000 square feet of commercial space, parking facilities, a science centre, and a facility for the Royal Winnipeg Ballet.²⁵⁵ According to this conceptual plan all the components would be enhanced by including public amenities, increased pedestrian and vehicular access, and by creating an appealing and dynamic environment. This document identified "...the type and scale of components to be developed, and the financial feasibility of the Corporation's mandate".²⁵⁶ In other words, *Final Concept and Financial Plan* provided a vision of the core concepts, the key elements, and the magnitudes of the various development components, but it was not a document which identified particular design specifications or designated monies to particular projects. Discussions and development proposals submitted by various parties, a review of downtown development sources, and exploratory trips²⁵⁷ to other North American redevelopment projects also contributed to the document.

From the beginning of the project private sector participation in the development of North Portage was critical. The public sector would create a proactive organizational context, contribute to project infrastructure, and provide adequate development incentives to attract private sector developers, but the private sector would also bring financial

²⁵⁵ Alan Artibise, "Revitalizing Downtown Winnipeg: the first steps" source unknown.

²⁵⁶ North Portage Development Corporation, 9.

²⁵⁷ Projects selected for visits by the Board members included: *Town Square*, St Paul, Minnesota (Oxford Properties); *Minneapolis City Centre*, Minneapolis, Minnesota (Oxford Properties); *The Grand Avenue*, Milwaukee, Wisconsin (Milwaukee Redevelopment Authority and the Rouse Company); *The Gallery at Market Street East*, Philadelphia, PA (Philadelphia Redevelopment Authority and the Rouse Company); *The Louisville Galleria*, Louisville, Kentucky (Oxford Properties).

resources and urban development expertise to make the revitalization process a reality.

According to the *Final Concept and Financial Plan* the private sector would be responsible for the following components:

- retail and commercial space
- residential, seniors' housing and seniors' administrative centre
- office space
- a major hotel
- an urban village
- a Union Centre

The public sector had clearly identified the development objectives, and the task of the private sector was to offer proposals which fulfilled the criteria of the North Portage vision. The private sector developers, in theory, had to incorporate the public sector objectives. For example, the two key priorities were strengthening the downtown residential community and establishing physical connections to The Bay and Eatons. In other words, interested developers, to a large degree, had to accommodate the public sector priorities.

Following the approval by the Shareholders of the *Final Concept and Financial Plan* on March 26, 1984 the NPDC Board of Directors began first by developing the retail mall and residential housing complex. The first priority was to attract the interest of key developers who had the expertise and financial resources to complete a project of the magnitude proposed by the *Final Concept and Financial Plan*. The NPDC received four proposals for the retail mall and five proposals for the residential housing complex. According to several key informants attracting developers who had the capacity to fulfill any of the objectives, especially the retail shopping mall, was not a simple task. The outcome of the first stage of the proposal call was a letter of intent between NPDC and the Cadillac-Fairview Corporation to build a retail shopping mall on the corner of Carlton and

Vaughan with connections to The Bay and to Eatons.²⁵⁸ Following the confirmation of the retail shopping mall developer proponent, the second stage was a proposal call to developers for the development of housing units. Imperial Developments (Canada) Ltd of the Imperial Group of Companies became the developer of the first, known as Place Promenade, housing complex. The next housing complexes were Kiwanis Chateau and Fred Douglas Place, respectively.

5.6 Summary: A Public Sector Strategy

The public sector put forward an explicit strategy for plan-making, decision-making and implementation. The interests of all three levels of government were represented in NPDC. It was an entity that, on the one hand, acted to fulfill the interests of each Shareholder, and on the other hand, NPDC was an objective, or politically neutral, entity. NPDC was objective in the sense that while it acted on behalf of the Shareholders, NPDC model allowed sufficient autonomy from the political process to give developers assurance, and secondly, in the circumstance of failure, NPDC would receive the blame, not necessarily any particular government.

Each level of government had something to gain in the development of North Portage in terms of political credit and, eventually, through the economic revitalization of the area. In the long-term all three levels of government would gain through taxes: for example, property, income, and sales taxes. Each government would also gain in other ways: the Federal government would create employment; the provincial government would also put people to work and, in light of the majority of Manitobans live in the Winnipeg region, contribute to the revitalization of the downtown area; and the City of Winnipeg would gain through infrastructure improvement and social and economic revitalization of the CBD.

²⁵⁸ David Palubeskie, "Issie Coop Speaks to MACIP Luncheon", MACIP News Spring (1985): 12.

Like any publicly funded large-scale initiative, the North Portage project had its detractors but it was also a welcome initiative. The promise of a 'cleaned-up' rebuilt physical environment, was a promise of the a fresh start for the North Portage area. Indeed, as stated previously, the Administrative Task Force anticipated the project would lever significant private sector investment and, moreover, would create the opportunity for a new beginning for downtown Winnipeg. For example, in 1984 seventy-nine businesses were operating in the North Portage area. The majority of the businesses were relatively small and owner-operated. And although many faced expropriation, 83% were in support of the North Portage development.²⁵⁹ Business owner's attitudes were similar to the general public's view of North Portage: the area was perceived as unsafe and, in comparison to suburban retail districts, had inconvenient and inadequate parking. Both of these factors, it was assumed, were pushing people out to suburban shopping malls. According to all of the informants, the collective consensus from public, local bureaucrats, and politicians from each level of government were the critical factors which enabled the project to proceed.

²⁵⁹ North Portage Development Corporation, "Highlights of the Survey of Existing Businesses in the North Portage Area," Feb. (1985).

Chapter Five

Part II Applying Bolon's Framework to Practice: North Portage Development Practitioners Reflect-on-Action

5.7 Overview

Part II of the North Portage revitalization case study chapter is based on interviews with key actors in the development process. Using Bolon's "Independent Variable Sets Influencing Decision Outcomes" the analysis is divided into five parts. Each part will analyze the North Portage project using Bolon's variable sets: process roles, decision field characteristics, planning and action strategies, issue attributes. The fifth part, decision outcomes, is the result of the dynamic interaction between the variable sets. This last section, based on the original project goals, assesses whether the North Portage project fulfilled the development vision.

Using Schon's concept of the reflective practitioner heuristically, the North Portage project practitioners provided details of 'the story' otherwise unavailable through documentation. By imparting their personal practical knowledge the practitioners helped to create a much richer history of the project. They also contributed to knowledge of both public-private partnerships in downtown revitalization. Moreover, according to his hypothesis, Bolon's conceptual framework provides a means to link theory and practice and, for the purposes of this investigation, to gain a greater understanding of "the state of the art" of downtown revitalization. Together Bolon and Schon, while not quantifiable, enable the analysis to identify the process 'pattern' and to make sense of the 'disorganized' context in which the planning and development process was situated.

5.8 Introduction: The Properties of Process Roles

The case study research design focused on key informants from NPDC (Board members and administrative staff), a public sector planner, a private sector developer, and a private consultant. The informants provided insights as to the role and purpose of the

public sector (the federal, provincial, and municipal government), the private sector investors, and NPDC in the North Portage downtown revitalization project. The following is an overview of the process roles played by the main actors in the North Portage project. The analysis begins by examining the role of the public sector: the tri-level partnership (federal, provincial, and municipal governments') the Administration Task Force, North Portage Development Corporation, and the City of Winnipeg Planning Department. Second, the role of the private sector investors is examined in relation to the North Portage planning and development process.

By using Bolon's categories, the analysis suggests that while the North Portage process had a distinct hierarchy the actors in the process were also mutually interdependent. Moreover, it also suggests that, in practice, a multiplicity of roles are played by each actor simultaneously throughout the process.

5.8.1 Applying the Variables

The North Portage project is divisible into two primary actor categories: the private and public sector. Beyond that, both sectors in the North Portage revitalization process are further divided: the federal, provincial, municipal governments', the urban development corporation (board members, administration), private consultants, non-profit organizations, private business, residents, the media, and so forth. Bolon's hypothesis contends that the presence of many actor creates the potential for specialization of *process roles*.²⁶⁰ Rather than identifying specific individuals, as Bolon's does, this analysis uses Bolon's typology to represent, for example, the federal, provincial, or municipal government, private sector developers, or community. Each one of these *actors*, according to Bolon's typology, either "...excel at the identification of problems and opportunities; others perform publicist or populizer roles; and other are brokers in the exchange of power and influence."²⁶¹

²⁶⁰ Bolon, 374.

²⁶¹ *Ibid.*, 374.

Moreover, the roles that each actor is identified with "...reflects the values, goals, and interests of those actors who possess the most resources, occupy a favourable position in the decision-making structure, possess the best skills in negotiating decision outcomes, and have the capacity for developing the best tactics and modes of influencing behavior."²⁶²

5.8.2 The Government: A Tri-Level Partnership

According to the literature review in chapter two and three, downtown revitalization projects are generally government initiated. Therefore the public sector, whether, as in the case of North Portage, it is federal, provincial, or municipal government all played a number of key roles in downtown revitalization. Of the fifteen major process roles, the key roles the public sector play are: *Initiator, Negotiator, Enforcer, and Symbolic Leader*.²⁶³ Different levels of governments and different departments and agencies take on specific roles. Other roles such as *Planner, Technical Expert, Spokesman/Advocate, and Evaluator* are also part of the public sectors repertoire, however the first four are the most critical.

Each actor is capable of influencing the project *decision outcome* most favourable to their interests if three factors are present: motivation, opportunity, and skills.²⁶⁴ To be sure, the inability of the Core Area Initiative to redevelop North Portage was the 'crisis' catalyst for the all three levels of government to collectively rethink the approach and their role in the redevelopment of North Portage; in that sense, the 'crisis' was the motivation and provided an opportunity for collective action between the tri-level partners. As one informant commented: "You had total disbelief in the Core Area process [which was perpetuated] by the media...[after that] the political process then stopped believing the Core process could really do anything."²⁶⁵ Insofar as the CAI was perceived to be tied to the political process, the three levels of government concluded it was necessary to change their

²⁶² Ibid., 378.

²⁶³ Ibid., 378.

²⁶⁴ Ibid., 379.

²⁶⁵ Private Consultant

original role, as represented in the CAI process, by facilitating a redevelopment process with a clear vision and a concrete strategy. In that sense, the government had to create a process which would rebuild the credibility lost in the CAI process by, on the one hand, taking an action-oriented approach, and on the other hand, ensuring that the presence of the government was at 'arms-length'.

In addition to being the project *Initiator*, the tri-level government partnership played multiple roles in the North Portage process as the: *Symbolic Leader*, *Strategist*, *Enforcer*.²⁶⁶ It is important to understand the impact that the CAI process had on the form, the function, and the role of the key actors in the reconceptualization of the redevelopment approach. As suggested in the previous paragraph, the approach and role taken by the public sector was highly proactive in order to create 'the conditions' for private investment. These conditions meant that the government would supply the political will as the symbolic leader, create an entity responsible for producing a focused and integrated concept and financial strategy, and, as enforcer, bring power and authority to the development process to assemble land and offer the necessary financial incentives in order to successfully achieve the development goals.

5.8.3 The Administrative Task Force

As *Planner*, *Technical Expert*, and *Strategist* the Administrative Task Force identified the development objectives, the organization model, and mandate for the North Portage revitalization project. Having taken control from the CAI, each level of government drew together the skills and experience in the form of senior bureaucrats from each level of government, "We had a extremely powerful team. The top people were very powerful and knowledgeable, and hands-on. We were going to get the job done."²⁶⁷ In comparison to the CAI, as a private consultant commented, everyone was wondering "...when were those

²⁶⁶ Bolon, 378.

²⁶⁷ NPDC Administrator

guys [the Core agency] going to get some development going, the CAI had been brought in [to revitalize North Portage], and all they did was talk about doing something".²⁶⁸ The Task Force played a critical role by creating the initial development strategy and identifying the implementation mechanism, as detailed in Part I of this chapter.

5.8.4 The North Portage Development Corporation

NPDC, within Bolon's typology, was chiefly the *Spokesman*, *Negotiator*, *Mediator*, and *Planner*. NPDC played a key role from both the private and public sectors' perspective. First, as Spokesman, NPDC was the representative of the government shareholders and was responsible for mediating, or as one informant commented, was a "buffer" between the public and private sector, and second, as Planner and Negotiator, the corporation was responsible for stimulating and facilitating the North Portage development process. In simple terms, NPDC was the project manager of the North Portage project. The corporation brought coordinating capacity, finances, legal authority, the political will, and a network of personal and professional connections from both the public sector and private sector. With respect to the network of personal and professional networks it must be noted that because the Board of Directors was composed entirely of individuals from the private sector the NPDC's network was likely different than if it had been composed of civil servants and politicians. This factor brought a unique element to the NPDC model by the fact it had "...hotshots on the Board, [with] proven credibility, a really impeccably credentialed Board of Directors, guys like Art Mauro, John Rae, Neil Baker, and Izzy Asper, these were the leaders of the community."²⁶⁹ As indicated in the quote, the Board along with private sector business experience, also played an important role in creating communication links into the business community and giving private sector 'legitimacy' to an otherwise public sector initiative. In other words, this model sent clear signals to the

²⁶⁸ Private Consultant

²⁶⁹ NPDC Administrator

private sector that the public sector was prepared to do business. To be sure, the private sector Board members played a key symbolic role, but also in practice they were able to tap into business networks thereby helping to attract established businesses to the North Portage site. For example, Investors Group relocated from Broadway by building a signature building at the corner of Portage and Colony. Art Mauro, one of the NPDC Board members, was also president of the Investors Group and played an important role in bringing their corporate head office to the site. Mauro resigned from NPDC Board prior to the onset of NPDC negotiations with Investors Group. One Canada Centre has since become an anchor tenant on the North Portage site.

As the cornerstone of the development process, NPDC organizational model played a major role in facilitating public-private partnerships. In addition to providing the financial support for the infrastructure which included installing and constructing utilities, roads and other services within the area effected by the redevelopment, it also, according to one informant, brought key organizational capacity by playing an important mediating role between diverse groups at the negotiation table.²⁷⁰ As he explained, a pure private sector developer driven project would not likely have brought non-profit arts groups to the negotiation table, nor would the developer have wanted to risk a complicated mixture of uses: "The success of [the North Portage] project has been the mixture of uses brought to the table that a traditional development approach doesn't allow. One developer, in only the most unique circumstances, will want to do a residential project, an office project, and a retail project."²⁷¹ Public amenities and the provision of space for not-for-profit organizations was critical to the success of the project; the role of NPDC was to therefore ensure that these components, as a publicly-led intervention, were included in the development scheme.²⁷² Second, in addition to acting as a mediator between the various

²⁷⁰ North Portage Development Corporation (1995), notes to the consolidated financial statements.

²⁷¹ NPDC Administrator

²⁷² NPDC Board Member

groups, NPDC also played a key mediating role between the private sector developers and various City of Winnipeg departments. As a NPDC Board member explained:

The NPDC acted to some extent as a broker between the private sector and certain government departments that needed to be engaged in one form or another. When it came to Winnipeg Streets and Transportation and the developer was running into some kind of problem we often would try to assist in trying to get it resolved. If the developer was to do that on their own they would have to deal with the City directly without any facilitation on their own.²⁷³

In other words, the NPDC was not just a Mediator, from a private sector's perspective, it acted as an Advocate for the North Portage project.

5.8.5 The City of Winnipeg Planning Department

The role of Planning Department was complex; on the one hand, it was *Technical Expert*, and *Planner* and on the other hand, the planning department was *Critic, Enforcer*, and *Evaluator*. The planning department had, at that time, other ideas for the North Portage area and were focusing their efforts on neighbourhood rehabilitation, as opposed to commercial development.²⁷⁴ As Technical Expert and Planner the planning department participated in the North Portage process as a member of the Administrative Task Force, technical committees, and by assisting the Board of NPDC to configure a mixed-use footprint and to suggest design guidelines for the North Portage site. The design guideline issue especially illustrates the difference between a traditional approach and the alternative represented in the NPDC model. For example, the Board ultimately decided that they would not impose predetermined design conditions because they preferred to give the private developers a certain amount of latitude: in other words, the 'guidelines' would be ascertained by way of negotiation between NPDC and the private developers.

²⁷³ NPDC Board Member

²⁷⁴ Public Sector Planner

To be sure, the proactive approach that NPDC Board brought to the project planning process was different than a traditional regulatory planning approach. Nevertheless, according to an informant, "...the [Planning Department] was influential in the planning side with land, [and] played a role without really driving it."²⁷⁵ In other words, the Planning Department had an arms-length consultative relationship with the North Portage process but essentially maintained their traditional planning role in the project.

As the regulatory authority responsible for development quality, the Planning Department had to have a certain amount of the distance from the project process. As one informant explained:

The Planning department was put into an awkward spot,....they were caught in a typical conflict of interest [situation] because they also had to receive all the applications put forward to get the development and building permits, do the design reviews and construction reviews. The process [was served better because] they did not get involved in the actual planning and design, but were the reviewers.²⁷⁶

To be sure, as a public sector planner suggested, the department felt it was their role (ie: Critic, Enforcer, Evaluator) to retain a certain amount of objectivity in order to effectively fulfill their regulatory responsibility; viz. in relationship to the other actors in the process the planning department were the "keepers of the public interest... not builders or developers."²⁷⁷ As such the department was able to voice concerns about certain aspects of the project, for example, the design of the retail facility and the streetscaping. Nevertheless, the powerful position of NPDC diminished the planning departments own perception of their authority to effectively supply input: "The perception of the planning department was that this project [was] going to happen. Some very fundamental concerns about the execution of it is probably not going to matter because the politicians are going to

²⁷⁵ NPDC Administrator

²⁷⁶ NPDCAdministrator

²⁷⁷ Public Sector Planner

approve it anyway, that's how important it is, that's how hungry we were [for development]."²⁷⁸

5.8.6 The Private Sector

As stated in the NPDC section, the corporation was an Advocate for the project, but the corporation was also *Spokesperson* for the political will, and the *Negotiator* of public capital. To be sure, because previous downtown development experiences leading up to North Portage had "spooked private companies" NPDC played a key role in ensuring private investors that the project had the financial capability, the political support, and authority to complete the project. In light of previous experiences, Trizec project and the CAI, private sector developers were uneasy about participating in public-private partnerships.²⁷⁹ The role of NPDC was to create the financial and physical conditions for redevelopment but it also played a major role in offering a decision-making and negotiating structure which the private sector preferred to operate within: viz. business negotiations done with a realm of confidentiality. For example, according to one informant, the Trizec project which "washed the dirty linen in public" was a highly politicized and public affair. The NPDC model, in light of this background, provided a "corporate" model.²⁸⁰

Insofar as the public sector played specific process roles, the private sector also played specific roles as: *Technical Expert*, *Strategist*, *Organizer*, and *Evaluator*. These three roles are summed up in the following statement: "They bring", in the words of a Board member, "the expertise and the knowledge of the development end which the public sector doesn't have. Also [the ability] to assess the opportunities of such a development."²⁸¹ Equally as important, the private sector brings capital that it is willing to risk on the venture. To be sure, one of the explicit purposes of public-private partnerships is to lever money from the private sector thereby, ideally, surpassing the public sector's

²⁷⁸ Public Sector Planner

²⁷⁹ NPDC Administrator

²⁸⁰ NPDC Administrator

²⁸¹ NPDC Board Member

original contribution. In the case of North Portage, the Administrative Task Force anticipated that in addition to the \$71 million committed by the government bodies, the private sector would participate with an additional \$155 million; this leverage ratio represented slightly more than a 2:1 public/private sector ratio.

To the extent that the public sector needed private sector participation, an informant commented:

The private sector brought all of the expertise of both financial and land development, it brought contacts with people in real estate and urban development, it could identify the experts in the field to assess the design aspect. In the final analysis, private enterprise brought money. It would not have happened without the private sector.²⁸²

Yet, at the same time, the final analysis also suggests that public and private sector were mutually dependent. For example, the objective of the public sector was to stimulate private investment on the North Portage site, which a traditional regulatory approach had been unable to do until that point. The private sector, on the other hand, was interested in participating in a project which had financial resources and political status. These 'conditions' reduces developer's up-front development costs and reduces 'the gap' between financial outlay and return. The public sector was, however, ultimately responsible to initiate a redevelopment strategy, not the private sector. The private sector, up until that point, had not shown any indication that substantial investment was going to occur in that area; therefore without the organizational capacity and political support the likelihood of change, according to the majority of informants, was minimal. For example,

It could have only happened if the private sector had gone out and purchased land and then had gone out and requested the roads be closed, etc. The fact was that up until that moment the private sector clearly had

²⁸² NPDC Board Member

indicated, from an economic standpoint, that was not in the cards. North Portage looked at little bit like Beirut.²⁸³

In other words, while the private sector would not invest without substantial risk reduction vis-a-vis contributions from the public sector, the public sector needed the private sector in terms of their capital and technical expertise.

5.9 Introduction: Decision Field Characteristics

Bolon divides the decision field characteristics into two categories: the decision *environment* and the decision *unit*.. Bolon states: "Evidence suggests the decision environment may influence a decision unit in a variety of ways. To the extent that a decision has identity, status and independent power source, it will also be subject to independent internal forces."²⁸⁴ Using Bolon's framework as a guideline, the following analysis suggests that while the structure of the North Portage decision field characteristics tended toward action, the decision environment and the decision unit pose certain problems with respect to the exclusivity of the development approach. Nevertheless, this approach offered a proactive approach to effect change. As discussed earlier in chapter two and three, this is the inherent internal tension of using a hybrid public-private model.

5.9.1 Decision Environment

The North Portage planning and development process was a decision environment characterized by a *formal decision centre* with a highly *articulated hierarchy*. Unlike the highly political Trizec development process, as previously referred to, the NPDC model addressed private sector concerns about negotiations, decision-making and, most importantly, confidentiality. As a key informant commented: After the Trizec development

²⁸³ NPDC Board Member

²⁸⁴ Bolon, 380-381.

...there was a mind set in the city that the city council negotiating with big high-powered companies had something wrong with that, because everything was politicized and the private side was very unhappy with that because they didn't like their stuff being debated on council floor....there was a Trizec backlash with doing public-private partnerships in such an open way, it spooked a lot of private companies.²⁸⁵

To be sure, the North Portage project's decision environment was created to counter the credibility problems left behind by both Trizec and CAI. As Walker suggests in an account of the Trizec deal, "...civic leaders are now publicly remorseful about the deal and would like everyone to forget about the whole mess..."²⁸⁶ In contrast to these experiences, NPDC community development corporation model would: (1) be a stand alone entity with no bureaucrats or politicians; (2) have substantial financial resources to complete a mixed-use development project; and (3) the authority to negotiate deals with the private sector and make decisions.

Although the way in which the planning and development model functioned was very similar to a private sector model, it was not a market driven project; key informants were in agreement that the North Portage project would not have happened without public sector leadership. The leadership, however, had to be innovative since, as evident in previous redevelopment initiatives, a regulatory framework and the absence of a proactive coordinating entity, had been unable to stimulate private sector investment. To be sure, according to a NPDC Board member "... from the start it was recognized that this whole project was going to be difficult. It was not an easy project, in my opinion it was a forced project..."²⁸⁷ It wasn't, in other words, according another key informant, a development that would have worked with "...a traditional planning framework or with a [typical] area plan..."²⁸⁸

²⁸⁵ NPDC Administrator

²⁸⁶ Walker, 166.

²⁸⁷ NPDC Board Member

²⁸⁸ NPDC Board Member

Given that North Portage was not a market-driven project nor one driven by a traditional planning framework the Administrative Task Force structured a decision environment which was driven, using Bolon's terminology, by an *homogenous* and *elite interest group*: To be sure, these attributes are represented in the structure of the organizational model and composition of the Board of Directors:

...there was no way that developers are going to deal with three levels of government, they saw the board as a single entity, it wasn't autonomous, but it had a mandate and within that mandate it had a good deal of authority and a good deal of room to operate without having to go constantly back to government, whether it was the federal, provincial or city government. Actually that was one of the reason we were able to attract the private sector, it would not have been attractive, I don't think, it would not have happened.²⁸⁹

Further to that, although the Administrative Task Force had conducted a consultation process with private developers to assess the interest and type of development which might be feasible, NPDC Board also conducted a round of consultations with retailers and private developers of their own. According to one key informant the Board structure lent legitimacy to the process: "[private developers] believed in the Board, they talked the private sector language, they had the authority, everybody got agreements, our charter, our mandate, everybody knew we had the goods."²⁹⁰ To the extent that the Board was soliciting interest it was also sending out the message that they were the decision-makers. Using Bolon's terminology, the *strong party machine* and *elites interests* created a secure environment for potential investors.

The organizational hierarchy created a chain of accountability that ultimately led to elected officials. In other words, the Board of Directors were accountable to the elected officials which had appointed them: "We [the Board] saw that as the primary formal locus

²⁸⁹ NPDC Board Member

²⁹⁰ NPDC Administrator

of accountability and gave them [the Shareholders] extensive briefings."²⁹¹ Unlike traditional bureaucratic decision-making structures the Board, while ultimately accountable to the Shareholders, was essentially autonomous to carry out their mandate without necessarily feeling compelled to engage in an ongoing public information campaign. Indeed, as one informant commented: "...the other way the public interest came in was through the Directors because they were appointed through levels of government, the interesting thing was none of them felt they had to consult with their levels of government."²⁹² The relative autonomy from public engagement and the centralized and simplified accountability process created a decision-making body which was, using Bolon's terminology associated with action-orientation, *tradition-free* and *striving*. Conversely, decision-making structures which are in Bolon's terms, *heterogeneous*, *tradition-laden*, and *amorphous* are not action oriented. The NPDC model created a planning and development process which was flexible and greatly diminished conflicts and power struggles between the different levels of government. However, this is not to say all conflicts were eradicated. For example, according to an administrator, prior to the approval of the *Final Concept and Financial Plan*,

...there was a lot of political games being played by the three levels of government. There was always several layers of agenda. There was the official agenda and there was the all the unofficial agendas going on; for example, I still believe the federal agenda was to make the arena happen at North Portage, the Feds on the committee from Axworthy's office were leaking documents but the documents were always out of date..²⁹³

In other words, prior to formulating the North Portage development strategy and establishing an implementation mechanism there was considerable partisan maneuvering

²⁹¹ NPDC Board Member

²⁹² NPDC Administrator

²⁹³ NPDC Administrator

going on between the shareholders. As implied by the above statement, NPDC would eventually become the neutral entity which, to a functional degree, defused intergovernmental politicking.

Nevertheless, it is important to note that the development vision had two layers: the first, was the pragmatic planning and development objectives; and the second, according to an informant, were the political objectives that informed the decision environment. NPDC was put in place to achieve

...a quick solution to get something moving - [this was] primarily a Federal objective. The City objective was to try to clean up part of the downtown and try to make it more viable, more attractive, to create housing in the downtown area. The Province, I don't know if they had prime reason, but they supported employment and they supported the clean-up. The composition of the Board represented those interests.²⁹⁴

In other words, the political aspects of the project's process was critical; viz. it was not an apolitical endeavor, rather the NPDC was, according to a private sector informant, "...a child of the politicians." Yet due to the Board composition the organization appeared less political than the CAI. Ironically, even though private developers claim to prefer to keep away from politics, from a developers perspective, the support from each level of government of particular North Portage development objectives was significant: "The biggest component of help was the fact that the three levels of government said that in the North Portage development they definitely wanted housing for seniors and for working people in the downtown area."²⁹⁵ The specific objectives, identified and agreed upon by each shareholder, and the implementation mechanism represented by NPDC consolidated the different interests. This consolidation was the critical factor in creating a pro-active decision environment, in addition to accessing funding for North Portage projects.

²⁹⁴ NPDC Board Member

²⁹⁵ Private Sector Developer

5.9.2 Decision Unit

NPDC was an *appointed body* therefore, according to Bolon's framework, tended toward action more than an elected body. NPDC Board of Directors was comprised of ten members: three representatives were appointed from the federal, provincial, and municipal governments', and the chairperson mutually agreed upon between all three. NPDC assembled a Board, the majority drawn from the local business community, of high profile Winnipeg people. As previously noted, the Board brought a private sector perspective to the planning and negotiation process, and were directly accountable to elected officials, not the public in general per se. The Board, along with financial expertise and business experience, also brought along with them the 'culture' of the private sector. In that sense, the Board operated in a traditional private sector manner. As an informant stated:

If you are a [private sector] director you take responsibility, your first interest is your company not the day to day interests of the government, you don't go back and get your marching orders and bring them back. They [the Board] operated in a traditional private sector board way. Even though they could have been manipulated by the levels of government they were so strong that they could resist that. I don't think the levels of government ever felt they could phone them and say 'Hey, you know that project that is going before the Board, take this position on it', that never happened.²⁹⁶

It was, in other words, business as usual. As a decision unit NPDC decision-makers, the Board of Directors, represented a *socially cohesive* entity, even though they represented different levels of government. Their interests consolidated around the issue of "good business decisions" within a specifically defined development mandate:

What we had to do was to make sure we were using private sector discipline in terms of cost effectiveness, husbandry of resources, that's what the

²⁹⁶ NPDC Administrator

private sector people who were on the Board brought to the project. We were going to treat this as if we were as private developer or interested in working with private developers and we were the private partner, not just a government granting agency.²⁹⁷

While Bolon's framework identifies the need for group cohesion, the framework also points out that *high functional role differentiation* is also important. With respect to this criteria, an informant commented that, as individuals, the Board had a "...mix of folks [that] had all the ingredients necessary to evaluate the private sector proposals, make contacts, and to do the necessary due diligence. It worked very well, the Board was very effective and cohesive."²⁹⁸ These internal dynamics, of unit cohesion and individual expertise, blended together under shared values and goals. "It [was] the model, and the model determines who the personalities are going to be to a certain extent."²⁹⁹

However, one of the problems, according to a number of informants, was the changability of the Board membership. In other words, with a change in government the composition of the Board reflected "the political strip" of the government. The problem, from a pragmatic point of view, was that while causing continuity problems it "...causes problems simply because when you got the change you had to educate those people and the Board itself tended to stand by as the group got educated."³⁰⁰

NPDC, it has been suggested, operated with a private sector framework. The majority of the informants suggested "hard-nosed business deals" were struck and that they "weren't giving anything away".³⁰¹ Unlike previous initiatives in downtown Winnipeg, informants argued that they did not want to be perceived as a "cash cow". To be sure, the majority of the informants firmly stated that they maintained a firm business ethic

297 NPDC Board Member

298 NPDC Board Member

299 Private Consultant

300 NPDC Board Member

301 NPDC Board Member

throughout the project based on financial considerations, while at the same time, keeping more of a public interest perspective than regular private sector developers. The above statements suggests that the decision-makers involved in the project felt a certain amount of pressure to create a successful project, they also understood the ambiguity of their negotiating position. They were working within a 'gray zone' between the public and private sector. For example, on the one hand, it was important to create 'the conditions' for private investment, on the other hands "...public-private partnerships must be balanced..." in terms of the priorities of the private sector and the priorities of the public sector.³⁰²

For example, the tension between the public and private sector operational frameworks is illustrated with respect to public information. That is, because the Board was drawn from the private sector to act on behalf of a public intervention, there were differing perspectives as to how public communication was dealt with; indeed, the public and private sector have different methods in which they conduct business. The private sector prefers to do business in private, the public sector provides public information with respect to decisions which will effect the public at large and in relation to the use of the public funds. To be sure, the provision of public information does not constitute an open or consultative process, but the point is that the North Portage project was, in the words of one informant, working "behind the veil."³⁰³ To the extent that the purpose of the NPDC model was to do business without the glaring light of public scrutiny, the strategy did not include, a priori, a public communication program; rather it evolved due to circumstances as the project progressed; this point will be addressed in the *decision outcomes* section. The absence of a public information program was due in part to the perception that public information was, from the Board's perspective, essentially propaganda and did not, from fiscal perspective, serve a useful service. Within the decision unit this tension, as it appears from the key informant interviews, was not resolved.

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The form and function of the decision environment and decision unit, according to Bolon's hypothesis, will have a strong influence on decision outcomes for the public agenda.³⁰⁴ To be sure, the exclusive composition of the Board, the consolidation of political interests, and the focused role and specific mandate lessened the possibility of conflict between the tri-level partnership. And importantly, it increased the possibility of creating 'the conditions' for private investment. Bolon's research on community decision-making found that "...communities with relatively strong integrative mechanisms for reconciling social stratification will tend to have greater capacity for purposeful decision-making."³⁰⁵ Urban theorists' critical of downtown revitalization suggest that this is the bias, facilitated by UDCs and public-private partnerships, which make downtown revitalization projects problematic. That is, because the interests of business and political elites are mutually supportive, according to Paul Peterson, "...development policies tend to emerge in [a] consensus fashion."³⁰⁶ Moreover, as the decision unit, the NPDC's accountability was somewhat obscured. According to Bolon, this type of unit is more prone to action than an elected body whose mandate is continually challenged at the polls.³⁰⁷ Though operationally more functional, in practice, the North Portage model and development approach clearly challenges normative conceptions of democratic urban governance, while simultaneously offering an innovative approach in which to reverse investment inertia. This last point is addressed in the next chapter.

5.10 Introduction: Planning and Intervention Strategies

It is hypothesized, according to Bolon's research, that the manner and degree to which a public issue is understood will influence the planning and intervention strategies

³⁰⁴ Bolon, 381.

³⁰⁵ *Ibid*, 381.

³⁰⁶ Ross Gittel, Renewing Cities (New Jersey: Princeton University Press, 1992) 26.

³⁰⁷ Bolon, 383.

and ultimately the decision outcome.³⁰⁸ To be sure, the North Portage project was framed in economic terms in the sense that social problems and physical deterioration are the consequences of economic decline. As Bolon suggests, to the extent the problem is defined predicates the action plan.

This section concludes that, in practice, the North Portage project's flexible and incremental approach paradoxically created a proactive but also a cautious way in which to direct the redevelopment of the site. Moreover, because the planning and intervention strategies did not challenge the status quo it was much more able to achieve the development objectives. Using Bolon's theory, the reason North Portage was able to achieve their objectives was because unlike allocative development policies, such as the NIP and RRAP programs, the North Portage project had an explicit growth agenda. According to Bolon's analysis, strategies that *maintain distribution of resources*, such as North Portage, as opposed to *efforts to reallocate distribution of resources*, tend to guide or direct action.

5.10.1 Applying the Variables

According to Bolon, insofar as the structure of the decision environment and decision unit influence decision outcomes, these variables also inform the planning and intervention strategies. In other words, the characteristics of the variables influence the definition of the problem and design of the solution. The institutional and economic model proposed by the Administrative Task Force and the *Final Concept and Financial Plan* assembled by the NPDC Board of Directors, created a framework to guide the planning and intervention strategies. The proposed framework, in other words, created the context for "...a set of relationships which prioritize certain criteria and actions over others, and which

³⁰⁸ Bolon, 383.

provide[ed] a point of reference for those making subsequent decisions".³⁰⁹ In contrast to a land use plan the Final *Concept and Financial Plan* , as an informant stated:

...was not a planning document in the sense of something you would do if you were zoning, nor was it a financial plan or business plan - it was a concept, which said we were satisfied with the core concepts of what we were going to do, the principles, the key elements, the magnitudes of the developments, but not too focused on the design expression of that because that would be left up to the implementation body. [However] the financial plan [said] here's what you're going to get and not a penny more.³¹⁰

As this statement suggests, right from the beginning the approach was inherently flexible allowing the negotiators a certain amount of latitude to develop the site, except for the core indispensable project components.

As the discussion of the *decision environment* suggested, NPDC symbolized the commitment to action by three levels of government; viz., the *decision unit* was an aggregation of governmental financial, political, and legalistic authority. As a planning and intervention strategy NPDC, in Bolon's words, had an *attachment to a power centre* and had the authority to make and implement decisions. Unlike a traditional planning and organizational framework, NPDC did not play an *advisory* role: it made and carried out decisions based on negotiations with private sector developers; decisions, it must be noted, had to be approved through normal City of Winnipeg approval processes. Attachment to the power centre facilitated access to funding for projects on the North Portage site and, as will be examined in the process outcomes section, supported, both financially and politically projects that were less viable in terms of market feasibility. Projects that could

309 P. Healey , "Discourses of Integration: making frameworks for democratic urban planning," in P. Healey et al (editors and contributors) *Managing Cities: the new urban context* (New York: John Wiley & Sons (1995): 252.

310 Private Consultant

not be justified within a market analysis (i.e. apartment complexes and non-profit arts and cultural organizations) still found a place in the North Portage project.

Based on the experiences of other North American downtown revitalization projects, the Administrative Task Force made decisions which allowed an expedient start-up time (i.e. the organizational model) and imposed short time-lines in order to see immediate results. The objective of this strategy was to reverse the investment inertia with immediate results in order to boost the public image and to encourage private sector confidence. To be sure, there was pressure to produce an action-oriented strategy, in light of the inability of the CAI to stimulate investment, in addition to bringing a problem-solving perspective to the process. Clearly, according to informants, a regulatory framework had not stimulated development, therefore they had to bring a fresh and flexible approach. Moreover, according to an administrator, the NPDC worked closely in a "team-like atmosphere" with private developers during the development process. This approach enabled the negotiators to reach a mutually acceptable solutions. This style of negotiated development is essentially an *incremental* method, as opposed to comprehensive.

Unlike urban renewal projects which dealt with long-term goals, the North Portage revitalization project imposed a short-term results oriented approach at each stage of the initiative. For example, the Administrative Task Force completed their job in sixty days, the Board of Directors compiled their analysis in the *Final Concept and Financial Plan* in one hundred days, and Phase I of the project was completed within the given five year period. As Bolon hypothesizes: "...planning which deals with the immediate, focuses on means, and deals only with highly selective and narrowly strategic information is more likely to guide or direct action than planning which looks to a long-term time horizon, is goal oriented, and focuses on comprehensive and complex systems of information."³¹¹

In carrying out their development mandate NPDC operated in, according to Bolon's terminology, an *opportunistic* manner. Bolon hypothesizes that a planning method which

³¹¹ Bolon, 384.

focuses on problem-solving and "...is incremental or [has a] opportunistic character is more likely to guide or direct public action than comprehensive classical methods of planning."³¹² This hypothesis is exemplified in the very fact that the project's success was based on achieving private investment vis-a-vis public private partnerships. As such, the development decisions were, to a certain degree, based on market conditions and the ability of the NPDC to negotiate the best deal. As one administrator stated: "If you are going to do public-private partnerships you have to respond to the market. That is where you sometimes make compromises which people will look back on it and say, well they really should not have done that..." In other words, public-private partnerships are about give and take between the public and private sector within the context of 'the deal'. To that extent, bargaining and a certain degree of compromise, without sacrificing the integrity of the project, was critical; for example, referring to the controversial design of the retail facility an administrator argued that "...we had to modify our negotiating strategy and say well, on balance, we are getting an IMAX Theatre, we're getting PTE, and we're getting some residential in the back, and we're getting the YM\YWCA [so we did not want to trade those things away]."

Like most, if not all, downtown revitalization schemes North Portage had to strike a pragmatic balance between the public amenity components what the private sector would pay for entirely, and what the public sector would financially contribute. Or rather what development components NPDC would take complete financial and operational responsibility for. To be sure, one of the key reasons for creating NPDC was that the corporation would assume the less financially attractive aspects of the project, for example, the land assembly, some aspects of public amenity space and connections, parking, and roadways and municipal infrastructure improvements in order to make the project more appealing to investors.³¹³ Nevertheless, the private sector was aware at the outset that they

³¹² Ibid., 384.

³¹³ NPDC Board Member

would have to incur a certain amount of responsibility for the construction and operation of public amenities on the North Portage site. In other words, the private sector developers recognized that the project was publicly-led and would include public amenities as a way to address social and economic revitalization. It was NPDC's responsibility to negotiate and bargain with the private sector to ensure public amenities were not sacrificed. As an administrator commented: "There is no question that getting the public amenities was a struggle, you mostly had to trade corporation resources [to achieve them]." In other words, the negotiator is cognizant of the planning principles and development objectives, however the bargaining process is situationally based in relation to how much compromise is acceptable. For example, even though the up-front costs of public amenities may be considerable, from the public sector's perspective, the optimal objective of the North Portage negotiation process was to make sure the public sector would not be obligated to contribute to on-going operations. Moreover, as the development problems and solutions associated with the Place Promenade complex illustrate, NPDC was working from a public sector perspective and therefore took a longer-term perspective than the private sector. To be sure, that was the fundamental paradox of the NPDC organizational framework. While on the one hand, as Bolon's framework states, an *immediate time-frame* is more action-oriented than a *long-term horizon*, NPDC was short-term oriented but the corporation was also able to take a long-term perspective to the bargaining table. Place Promenade is addressed in the *decision outcomes* section.

The original vision of the North Portage project clearly described a "mixed-use synergism" by incorporating, within the retail shopping mall, public amenities, and arts and entertainment. Moreover, the site design emphasized, especially with respect to the senior's residential complexes, the physical connections and design relationship to the shopping mall, to Eatons, and to The Bay on the south side of Portage Ave. Negotiated development was the *modus operandi* to the extent that while on the one hand the North Portage development objectives were comprehensive to the degree that the overall design scheme

was intended to achieve connections between previously disparate parts, the plan also recognized the limitations of being programatically inflexible. In other words, as stated above, the cornerstone of the North Portage development approach was the ability to modify program strategies based on *focused information* with respect to the changes in market conditions and the availability of willing private investors. For example, the ISM site was originally envisioned as a residential use. However, according to an administrator, "...given the problems in the residential market after building Place Promenade and the two seniors projects we realized that, in the middle of a serious recession, we said, why does this have to be residential, it doesn't have to be, let's look at it more realistically, at the economics. We were able to transfer that site from out of our residential mind set to an office mind set."

Public-private partnerships, at the most simple level, bring opportunities and resources together to reach a mutual objective, but not necessarily for the same reason: viz., the public sector for political reasons and the private sector for profit.³¹⁴ Yet the answer is not that simple. To be sure, the private sector is not prepared to invest in a project when they wait for a return on their investment is unacceptable, the public sector, on the other hand, has a longer-term vision with respect to development.³¹⁵ However, according to a NPDC Board member, the North Portage project did find common ground within their public-private partnership arrangement:

There [was] a common interest there, business generation is not only profitable from the private sectors standpoint but it profitable for the public sector: taxes, downtown activity, entertainment expenditures, etc. There is a common business case not just a public purpose that brings the people together. Almost certainly, I don't think, the city or the Province would have been this game if it was just beautifying North Portage. There was a clear business case to attract orland retain business activity downtown because it

³¹⁴ NPDC Board Member

³¹⁵ NPDC Board Member

was going south: retail sales were down, stores were closing, boarded up. It wasn't just making it beautiful, there was an economic issue.

In other words, insofar as each level of government had something to gain in the North Portage development in terms of political credit, the area would eventually gain through economic revitalization. In the long-term all three levels of government would gain through taxes: for example, property, income, and sales taxes. And on the other side of the negotiating table, the private sector took the risk of gaining profits or losses vis-a-vis the financial risk. To be sure, according to an informant, the common denominator between NPDC and the private sector partners was the business case. But as the *decision outcomes* section suggests, downtown revitalization projects do not guarantee success for the private sector partners.

Finally, NPDC was organizationally innovative to the extent that it introduced a means in which to facilitate new working relationships between the three levels of government and between the public and private sector. The NPDC was a 'satellite' organization that, according to Bolon's framework, did not try to *alter* existing institutions and organizations, rather it applied efforts to bring about change *with* existing institutions. In that sense, it was a cautious approach since the NPDC process did not create larger institutional change. As the evidence suggests, the process actors maintained their traditional roles and the strategy did not attempt to reallocate resources beyond the status quo. Nevertheless, what the evidence also suggests is that innovation did occur insofar as the information (i.e. planning and decision-making) was filtered, or rather, processed, through NPDC. In other words, the existing institutions did not have to undergo unprecedented change themselves, but rather planning and intervention strategy innovation was achieved vis-a-vis NPDC as the primary organizational medium. This was an innovative proactive approach for downtown redevelopment in Winnipeg.

5.11 Introduction: Characteristics of Public Issues

Bolon's last variable set identifies the key underlying characteristics influencing a decision outcome: (1) whether the proposal has easily predictable consequences; (2) whether the proposal is easily accomplishable both economically and administratively; and (3) if the proposal lies within a social value or preference field.³¹⁶

The research findings suggest that North Portage project focused on economic development issues which are essentially nonideological. As such the project was able to precede with much less controversy than a strategy that addresses less tangible social problems. However, while the initiative successfully defined the problem and solution within an economic frame of reference, the strategy did not create a proactive public communication or outreach program. This was a key lesson which emerged out of North Portage.

5.11.1 Applying the Variables

Bolon argues that planning creates and works within a "culture". This culture is based on the manner in which the process roles, decision environment, planning strategies, and public issues dynamically interact. Out of this interaction decision outcomes are produced. While each variable is equally important Bolon suggests that the way in which the public issue variable is framed is critical to the likelihood of public acceptance. The key public issue, *agenda characteristics*, that tend toward action are those which are nonideological, are flexible over time, have focused easily predictable consequences, have limited costs and benefit distribution, and lastly, the proposal should be easy to communicate to the public.

As the literature review also suggested, the advantage of UDCs and downtown revitalization in general, is that the projects often appear to be nonideological. Programs whose objective focus on the distribution of wealth, and includes programming that is

³¹⁶ Bolon, 385-386.

difficult to quantify and evaluate are viewed as highly ideological. To be sure, physical construction of commercial development is more likely to be perceived as less ideological than programming that focuses on the "wicked problems" of poverty, employment, or environmental issues. According to Bolon's variable framework a redevelopment project that address these issues will not as easily, if at all, achieve its objectives. What he suggests is that "...if there is little conflict over basic values implicit in the proposal, then ...there will be a greater tendency toward positive action."³¹⁷ The advantage of downtown revitalization projects, from this perspective, is they are generally economically quantifiable in terms of financial expenses and return, and in that sense tend to assume a nonideological stance. Moreover, because they normally do not address complex social issues other than economic growth, the issues tend to be easily communicable to the general public.

In practice, the North Portage project is a good example of Bolon's public issue variable. In order to revitalize the North Portage area into "...an imaginative setting which reinforces Portage Avenue as Winnipeg's major historical shopping axis..."³¹⁸ the government defined or framed the *agenda characteristics* within economic terms of reference. The agenda, unlike the CAI, did not propose to distribute the benefits through direct grants to a wide population, rather the distribution would occur indirectly through the market. According to Bolon, a proposal is more likely to be rejected if it "...costs a lot of people a lot of money [in comparison to one]...that costs a few people a little money."³¹⁹ In practice, the North Portage project was consistent with this hypothesis because while it drew significantly on public funding responsibility was shared among the key process actors: the tri-level partnership. In other words, the people of Winnipeg did not see the money as being directly drawn out of the City of Winnipeg budget. This is Bolon's second key variable.

³¹⁷ Ibid., 386.

³¹⁸ North Portage Administrative Task Force, 63.

³¹⁹ Bolon, 386.

Bolon's third variable is that the proposal, if it is to be *action-oriented* and acceptable to the public, has to have easily predictable consequences and highly focus programming. As stated above, the quantifiability of the project, i.e. how much tax revenue was generated, how many jobs were created, how many new businesses were opened due to the initiative, are profoundly concrete and measurable criteria. Based on that criteria the North Portage essentially achieved Bolon's action characteristics. This was achieved by the way in which the public issue, (the problem was downtown decline), was defined vis-a-vis the redevelopment strategy . That is, to the extent that the Administrative Task Force identified funding sources, anticipated private sector investment, and potential redistribution mechanisms vis-a-vis employment, the issues were relatively uncontroversial. For example, because the North Portage solutions focused primarily on physical redevelopment and economic stimulation as the primary determinate for success of the revitalization process, the way in which development issues were framed, or characterized, turned out to be a critical factor in the design of the solution. In that sense, the Administrative Task Force contributed to the 'solution' in the way they demarcated the problem territory: job creation, the need for public-private partnerships, and creating a mixture of uses to enhance the economic and social viability of the downtown area .³²⁰ From a definitional point of view, these four points synthesize and characterize the public issues and, at the same time, abstractly capture solutions without being overtly prescriptive. Within this characterization there was a promise to 'clean-up' the area by rebuilding the physical environment, create employment, provide a pragmatic strategy that balanced public and private funding, and introduce a proactive strategy that promised an exciting new start for downtown Winnipeg.

According to Bolon's fourth variable, controversy normally centres around aspects of the program which are *inflexible* or *irreversible*. To be sure, the fact that the North Portage project was a bricks and mortar' approach was the aspect of the project that drew

³²⁰ North Portage Administrative Task Force, 2.

significant public criticism. For example, the aesthetics of Portage Place and the skywalk system were both controversial. The skywalk system is blamed for taking people off the streets and the Portage Place mall is criticized for its lack of relationship to the street; viz. turning its back on Portage Ave.

It is interesting, one of the biggest things we are criticized for is the skywalk system and the impact the skywalk system has had on Portage Ave. Yet in the pre-planning work which was done for North Portage that was the one given. That there would be a commitment to connect into the existing walkway system.³²¹

As the informant notes, the skywalk concept was conceived prior to the North Portage initiative, nevertheless some argue, that the system should have been built underground. However, according to another informant,

If you had been in Winnipeg at that time there is no way you would have put them underground, we had just done the bloody Portage and Main, No Way! You would have been laughed out of town, it wasn't even in the cards.³²²

In other words, understanding the development context is critical for understanding the initiative and final decisions. With respect to the design of Portage Place, it is also important to note that during that period the Portage Place facility typified North American mall design. To be sure, as an informant commented, the design could have been even more exclusionary if NPDC had not negotiated to get "...at least some doors on the exterior of Portage Ave. so the merchants, if they wanted to, could open up their doors, or at least try to encourage that. It has been a pretty mixed result, although H&M is the one which has taken the most advantage of it."³²³ Both Portage Place and the skywalk

³²¹ NPDC Administrator

³²² Private Consultant

³²³ NPDC Administrator

system, a physical structures are irreversible and, based on Bolon's hypothesis, it is not a surprise NPDC received the most criticism over them.

Bolon's fifth variable hypothesizes that communication is key to the overall strategy. This variable has two aspects: the difficulty or simplicity of communicating the issues and whether communication is initiated at all.

Issues that are abstract and require sophisticated powers of conceptual reasoning are less likely to be communicated well (and thus rejected) than issues that can be clearly perceived and understood by the actors who will have to deal with them. Difficulty in communication can be equally, if not more, detrimental to decision-making than lack of communication.³²⁴

Insofar as the previous variable sets have indicated that the North Portage project was *highly focused* with concrete, quantifiable, and realizable objectives (in that sense relatively easy to communicate) the project had ongoing problems communicating those objectives to the public in a consistent manner. According to Bolon's hypothesis this should be pursued in order to build a consensus for action, and to create sustained commitment to the project on an ongoing basis. The analysis suggests that the NPDC did not act effectively on this variable. As previously noted an informant commented that, in retrospect, they should have created a much more proactive public communication program. In other words, the NPDC made a conscious decision to allow the project "to speak for itself"³²⁵

The next section, *process outcomes*, will elaborate upon the results of the North Portage development strategy. Nevertheless, even though the public communication aspect of the project was not addressed one informant suggested that "one of the things that [the

324 Bolon, 387.

325 NPDC Administrator

NPDC] did learn was that if you are going to use that model you have to be sensitive to the community in the urban context...everybody learns from each process."³²⁶

5.12 Introduction: Process Outcomes

This section summarizes the planning and development outcomes by addressing the results in three distinct categories: development and economic outcomes, unattained goals, and the identification and discussion of two issues that occurred during the planning and development process: the Place Promenade receivership and the South Side Improvement Program. The categories address the project outcomes based on the North Portage initiative's own development goals (See Map 5). Based on the practitioner's experience and the variable set analysis, the findings suggest that while the project achieved, to a large degree, the physical redevelopment goals it was more difficult for the intervention to succeed on the less 'bricks and mortar' issues. To be sure, what this suggests is that the North Portage project should be understood as a single intervention within a larger development context. In reality a large intervention, such as the North Portage project, is important but years of social and economic decline in a slow growth economy are difficult to reverse. Moreover, the findings also suggest how complex it is to address 'perception' issues of downtown in relation to crime and safety, and how important those perceptions are to the success of downtown revitalization schemes.

5.12.1 Development Outcomes

The mandate of NPDC was to produce a program which would 'revitalize' the North Portage area by stimulating employment opportunities, providing new housing, especially for seniors, and deliver a better environment for, in comparison to the original arcades and other entertainment outlets in the area, arts organizations and entertainment facilities. In the words of NPDC, the original vision would create "...a new downtown

³²⁶ NPDC Administrator

neighbourhood,...conceived to integrate living, working, shopping, recreation, and entertainment into the largest single development ever undertaken in Winnipeg. "327



The North Portage Area

- Mixed Use - retail, entertainment, office
- Mixed Use - residential, retail, educational
- Retail
- Office
- Institutional
- Residential
- Educational
- Hotel
- Skywalks
- Green Space

- Guide to Annual General Report Map
- 1. Eaton's
- 2. The Bay
- 3. Portage Place Mall
- (includes MAX Theatre and Prairie Theatre Exchange)
- 4. Y.M.-Y.W.C.A.
- 5. Pace Promenade
- 6. Kwans Chateau
- 7. Fred Douglas Lodge
- 8. Raleigh Apartments
- 9. Downtown Downtown Hotel
- 10. Information Systems Management (ISM)
- 11. National Research Council (NRC)
- Centre for Bio-Diagnostics
- 12. Catherine Booth Bible College
- 13. Isidore School
- Winnipeg Adult Education Centre
- 14. Pundic Press Building
- 15. One Canada Centre (Investors Group)
- 16. Travelodge Hotel
- 17. Power Building
- 18. Boyd Building
- 19. Newport Centre
- 20. Air Canada Building
- 21. Free Press Building

Map 5
The North Portage Area

Source: Adapted from the North Portage Development Corporation Annual Report, 1994

327 NPDC, "Portage Place: a bold new venture for Winnipeg's downtown", promotion material.

As of 1984 the NPDC had assembled all eleven acres required for the Phase I development. As previously mentioned, there remains outstanding expropriation cases and, as of 1996, it was anticipated that final settlement costs would total approximately \$36 million dollars.³²⁸ Between 1986 and 1991 the population growth rate in the downtown area was appropriately seven times greater than in Winnipeg as a whole; of the population increase in the downtown area, more than one-third of the new residents reside in the residential complexes on the North Portage site.³²⁹ Of the three residential complexes built, two are specifically targeted towards senior citizens. The Kiwanis Chateau with 122 units, and Fred Douglas Place with 130 units both have "Life Leases" and are exempt from paying school taxes. Under the terms of the agreement between the seniors' housing developers, each developer has leased land from NPDC from the start of construction for a 50 year term with five renewal periods each of five years, and a sixth renewal period up to a maximum of eighteen months; at the end of the lease period the corporation will become the owner of the complexes.³³⁰ The agreement also advanced funds, in the form of non-interest bearing loans, for the parking structures and funds toward the cost of the pedestrian overpass. Place Promenade, the first housing complex to be completed, with 376 units, targets a mixed demographic market. Together the number of units total 628, less than the original projection, and all have had consistently low vacancy rates. For example, Kay Garrity, General Manager of Fred Douglas Place, stated the complex is at 100% capacity with a waiting list.³³¹ Kiwanis Chateau shares similar positive vacancy rate. Though weaker than the two senior complexes, Place Promenade had, between 1993-1996, an average vacancy rate of 5%.

³²⁸ NPDC Administrator

³²⁹ North Portage Development Corporation, "Future Activities of North Portage Development Corporation: a report to the Shareholders," Dec. (1992): 2.

³³⁰ North Portage Development Corporation (1995): notes to the consolidated financial statement.

³³¹ Discussion in June, 1996.

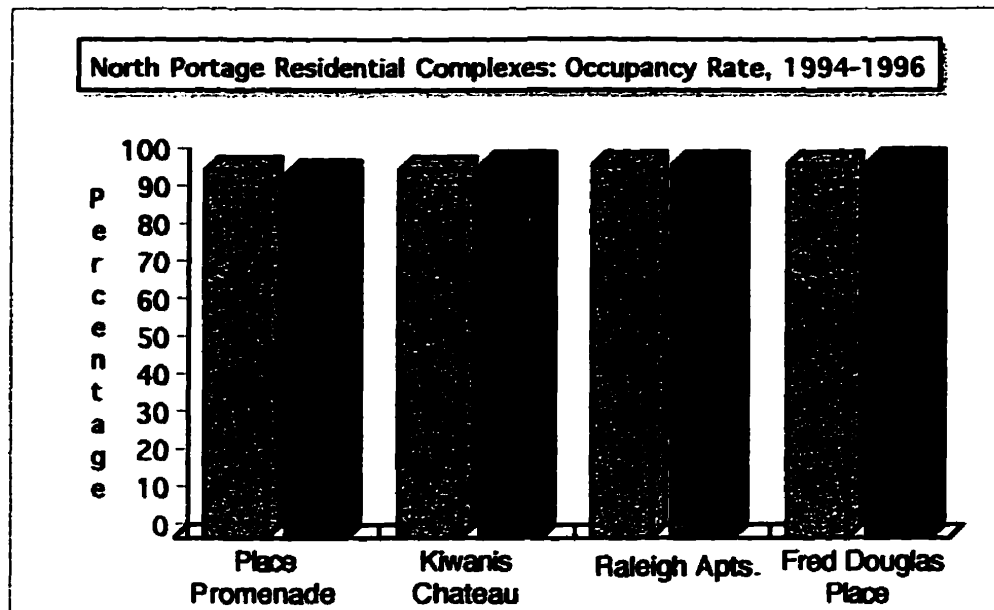


Figure 10

Place Promenade is currently stable, however initially the project proved to be economically unviable which forced the private developer to stop paying the mortgage. This issue is addressed later in this section.

With the completion of Portage Place, a 300,000 square foot retail shopping complex, and the skywalk connections to The Bay and Eatons, the residential complexes, the YMIYWCA, and One Canada Centre the North Portage development program's objective of creating an integrated development was achieved. Under the agreement between Cadillac-Fairview and NPDC, the retail developer leased the land for a 50 year term with five renewal periods each with a five years duration. Under the deal NPDC advanced funds to construct the parking structure, overpasses and connections, support structures for future development, and retains the rights to receive 50% of Net Participation Income, income from the parking facility, and residual ownership of the retail complex at the end of the lease period.³³² According to Cadillac-Fairview, the developer and manager

³³² North Portage Development Corporation (1995): notes to the consolidated financial statements.

of Portage Place, in 1995 approximately 9 million people visited Portage Place.³³³ Other than the skywalk system, public amenities include: Edmonton Court in Portage Place, The Promenade, and Webb Place urban design and streetscaping. Consistent with the emphasis on a mixed-use approach, the Portage Place development houses the IMAX Theatre, the Prairie Theatre Exchange, and the YMWCA is directly linked to the west side of the mall. The land for the YMWCA was purchased by NPDC and leased back to the recreation facility for a 50 year terms with five renewal periods of five years each.

The original development vision included 200,000 square feet of office space. In 1988 Investors Group's decision to build and relocate to the corner of Portage and Colony brought 280,000 square feet of office space to the site. Like the above development agreements Investors Syndicate Property Corporation negotiated a 50 year lease with the option for renewal with NPDC. Also part of the deal was the provision of a non-interest bearing loan for the construction of a parking structure by NPDC. On the 20th anniversary of the lease NPDC has the option to sell the land to Investors Group at a price not exceeding \$6 million and Investors has the option to buy the parking structure at its original cost after the sale of the land.³³⁴ In addition to the Investors building, in 1993 Information Systems Management Corporation (ISM) built a three story 100,000 square foot office. Under a development agreement with 2700760 Manitoba Limited for the development of the office facility, NPDC leased the land to the development company for 43 years with five renewal periods of five years each. 2700769 Manitoba subsequently entered into a lease with ISM to lease the facility for a 15 year term with five renewal periods of five years each. On the 15th anniversary NPDC has the option of selling the land to the development company for a price of \$2.3 million.³³⁵ In addition to office space, the

³³³ Note that Cadillac-Fairview bases estimates on all entries/exits through the facility doors.

³³⁴ North Portage Development Corporation (1995): notes to the consolidated financial statements.

³³⁵ Ibid.

Science Place Canada concept was realized with the National Research Council Centre for Bio-Diagnostics.

A large component of the public sector responsibility was the roadways and infrastructure upgrading and construction. By 1990 NPDC had completed \$7 million of roadway and service improvements including streetscaping and landscaping on adjacent streets.³³⁶ As previously stated, the *Final Concept and Financial Plan* recognized that private sector developers were not interested in undertaking the streetscaping and urban design features which would contribute to the "Urban Village" concept.³³⁷ Therefore NPDC fulfilled this part of the development vision with the completion of The Promenade and Webb Place, two pedestrian oriented streets which are owned and operated by NPDC with 20,000 square feet of retail space. Moreover, initial studies undertaken by NPDC indicated that parking was a critical issue for Winnipeg residents and, as noted earlier, private developers were not willing to undertake the cost of construction. According to a NPDC administrator, NPDC provided the funds, by way of a mortgage, to developers to build the parking structures with the understanding that the corporation would run them. By the end of construction the North Portage site had a total of 1902 underground parking spaces.³³⁸

Finally, in addition to the investment which was directly targeted for the North Portage site, the North Portage initiative, according to key informants, was the catalyst for key downtown establishments to reinvest and upgrade their facilities: for example, Eaton's committed \$1 million to their building facade, the Newport Building also upgraded their building, as did the Travel Lodge Hotel, and The Bay renovated the majority of their floors at a cost of \$5 million. According a NPDC administrator, prior to the North Portage initiative The Bay and Eatons had indicated that they were considering closing their Portage

³³⁶ North Portage Development Corporation, "Annual Report, 1990"

³³⁷ North Portage Development Corporation, 21.

³³⁸ North Portage Development Corporation, "Future Activities of North Portage Development Corporation: a report to the Shareholders," Dec. (1992): Appendix 2.

Ave. stores.³³⁹ Moreover, in addition to the development 'spin-off', over 75% of the expropriated businesses stayed in the downtown area. The businesses on the south side of Portage Ave also received funding to upgrade their facilities; this issue is addressed later in this section.

5.12.2 Economic Achievements

The objective of the North Portage revitalization vision was to physically, socially, and economically transform the area. In the first nine years of NPDC's operation, according to building permit statistics from the City of Winnipeg, one quarter of the total dollar value of all building activity, both new construction and renovation, is connected to the North Portage project.³⁴⁰ NPDC research also suggests that 2700 people are now employed on the North Portage site and pay an estimated \$4 million to the province and \$6 million to the federal government in income tax.³⁴¹ As illustrated in a comparison of the employment pattern between 1981 and 1992 the North Portage development has had a significant impact on the type of employment generated in and around the North Portage area. For example, between 1981 and 1992 professional employment and the wholesale and retail sector has increased significantly.

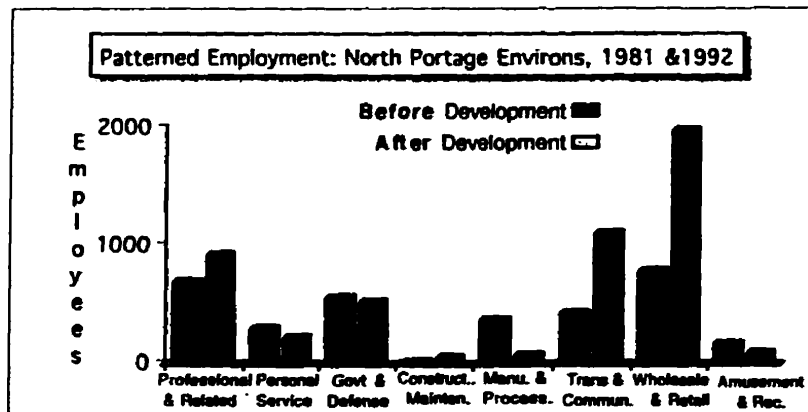


Figure 11

Adapted from, "The City of Winnipeg Travel and Demographic Trends, 1962-1992.

Source: The City of Winnipeg Works and Operations Division, Streets and Transportation, March 1995.

³³⁹ NPDC Administrator

³⁴⁰ North Portage Development Corporation (1992), 1.

³⁴¹ Ibid., 2.

The emphasis on service sector employment is notable, especially in comparison to the decline in manufacturing and processing which has occurred since the revitalization process began. This scenario is also consistent, as explained in chapter two and three, with structural economic changes occurring in urban areas throughout North America.

As noted, in order to achieve the NPDC development vision significant private sector investment was necessary. According to the *Final Concept and Financial Plan*, the retail, office, housing, and other components would need approximately \$156 million of private sector investment for the estimated total capital costs of the Phase I development. Based on private sector involvement NPDC anticipated that the development objectives could be achieved moreover, significant taxes would also be generated for the government shareholders. By the end of Phase I of the approximately \$76 million spent by the public sector, the private sector had invested a further \$180 million in the North Portage development.³⁴² Also, in comparison to the \$1.5 million in property taxes in 1983, the North Portage project stimulated an increase of \$3.7 million to the amount of 5.2 million in 1992.³⁴³

While the north side of Portage Ave. underwent a physical transformation, during Phase I the south side of Portage Ave, between Vaughan and Hargrave, experienced decreased pedestrian traffic and increased ground floor vacancy.³⁴⁴ NPDC experienced pressure from the merchants and the public, especially from the media, to provide financial and organizational support to the south side merchants and building owners. Although NPDC does not own the land, the south side of Portage Ave. is within the corporation's mandate area. Recognizing the activities on the north side had likely negatively effected the south side NPDC introduced the South Side Improvement Program. The program encouraged building owners to improve their buildings by renovating the interior and

³⁴² North Portage Development Corporation (1990): 4.

³⁴³ North Portage Development Corporation (1992): 2.

³⁴⁴ Coriolis Consulting Corp., "Marketing Strategy for the South Side of Portage Ave, Winnipeg," March (1990): 1

exterior. The program offered funding for improvements that were worth up to one third of the total cost of the improvements; by 1993 with an investment of \$500,000 from NPDC, the program levered over \$1.2 million in private investment.³⁴⁵ The results of the program were significant, in 1989 there were fifteen vacancies and by 1993 only two remained.³⁴⁶

5.12.3 Unrealized Development Components

While much of the North Portage development vision has been achieved, not all the components were fully realized, or rather, completed in a form consistent with the original vision. According to key informants, the components which were not achieved, for example, a hotel on the site, the full complement of residential units, and the Union Centre (it built, but not on the North Portage site), is attributed to a lack of demand from the market. The east and west pads of Portage Place, built to accommodate office or hotel towers, will remain empty until a project with market potential arises. The Royal Winnipeg Ballet was replaced by Prairie Theatre Exchange³⁴⁷, The Science Centre was replaced with the IMAX Theatre, which is owned by NPDC. To be sure, the development program was created on the premise that the different development components would be the result of private investment and, by extension, the conditions of market demand. In other words, while some projects were considered a priority, for example, the residential complexes and the retail facility, others projects, especially as the development nears the ten year mark, will have to wait for market demand to increase.³⁴⁸

The Place Promenade residential complex is a good example of a project which would not have occurred without the leadership and financial support of NPDC; it is also a good example of the tenuous position, with respect to public accountability, a public corporation is placed in when a project fails. Imperial Development was the original

³⁴⁵ North Portage Development Corporation, "Annual Report, 1993", 7.

³⁴⁶ Ibid., 7.

³⁴⁷ The funding for the PTE was provided by the Province of Manitoba and the CAI; the theatre leases their facility for \$1 per year and is exempt from taxes.

³⁴⁸ NPDC Administrator

developer for the housing complex. However, due to financial difficulties in May of 1986 the company fell into receivership during the planning phase. The project was taken over by company principals upon the formation of the Village at the Portage Place Housing Ltd (VAPP). Unfortunately, even after a mortgage was secured by Manitoba Housing and Renewal Corporation (MHRC) and insured by the Canadian Mortgage and Housing Corporation (CMHC), after much negotiation between VAPP, NPDC, and lending agencies, VAPP eventually defaulted on the mortgage payments. Based on legal advice and approval from the shareholders, NPDC took action to terminate the Ground Lease and initiated foreclosure proceedings. The rental income was assigned to MHRC. In May 1990 the NPDC acquired the title to Place Promenade and placed it under NPDC's wholly owned subsidiary Cityscape Residence Corporation.³⁴⁹

NPDC was placed under severe public scrutiny due to the failure of Place Promenade. In 1990 the Manitoba Provincial Auditor conducted a special audit on the use of public funds and the quality of NPDC's decision-making. NPDC experienced pressure to reveal the mechanics of the Place Promenade financial arrangements and to address public interest issues. The local media ran extensive coverage of the issue and local politicians and opinion leaders openly questioned the competence of NPDC management. Nevertheless, the Manitoba Auditor General concluded that there had not been any impropriety in the deal. The report recognized that while the public sector had committed substantial financial investment to support the Place Promenade development, the report also stated: "In reviewing the residential housing aspects of the North Portage redevelopment, it is important to remember that this was basically a revitalization of the North Portage area and not strictly a commercial venture."³⁵⁰ Nevertheless, observers felt uncomfortable with the extensive financial commitment that the public sector had taken to support the project. As one city councilor stated: "We shouldn't be rescuing this project.

³⁴⁹ Manitoba Auditor General, "Special Audit of the North Portage Development Corporation" (1990): 9.

³⁵⁰ *Ibid.*, 10.

Let this company go into bankruptcy so we can get a look at its books, the public wants to know."³⁵¹ The problem though, according to a NPDC Board member, was twofold: first, it would have been risky let the project fail and slip out of the reach of NPDC leadership and financial capability; and second, the likelihood of finding a private developer with the desire and the financial capability was remote. He stated:

If a private developer wanted to come in and buy it I think the NPDC would have been happy to sell it, but that was not going to happen. They would not have gotten a developer and they would have a skeleton which would have really down graded the site.

The point was that the public sector had no choice but to take the risk, and in light of the poor market conditions for residential development, the public sector was able to cast a significantly longer term vision on the project than the private sector developer was able or willing to do. As an administrator commented: "...the project has actually turned out alright, unfortunately the developer isn't going to bear the fruits of the proceeds."

As the public entity responsible for the coordination and execution of the planning and development process, NPDC was also responsible for providing the leadership to deal with the social and external tensions that were a result of the development.³⁵² To be sure, the Place Promenade project illustrates the necessity to provide continuous leadership, but the project also illustrates how unforeseen problems occur when a public entity's role shifts from coordinator to "entrepreneur". As McKee and Axworthy noted in their research on UDCs: there is a need "...for the separation of innovation from maintenance - an agency cannot do both - separation generally [is] made at the policy level."³⁵³ Clearly the Place Promenade project was forced to cross the line between coordinator and entrepreneur. Similarly, the declining condition of the south side was also within the realm of responsibly

³⁵¹ *Winnipeg Free Press*, "Agency's 'deals' Deplored" 17 Jan. 1990: A1.

³⁵² Christine McKee & Lloyd Axworthy, 34.

³⁵³ *Ibid.*, 33.

of the NPDC: as the public entity it had to provide leadership to deal with the negative externalities of the revitalization process. As noted earlier, the south side of Portage Ave. did not experience a positive economic 'spin-off' from the revitalization effort. Critics charged that the retail facility created a fortress closed-off from pedestrian traffic and that the skywalks took pedestrians off Portage Ave: "...the downtown Portage mall built to revive the retail character on the north side of Portage Ave....has successfully destroyed retailing on both sides of what was once Western Canada's major retailing street."³⁵⁴ Although NPDC introduced a program to assist the merchants, critics still argued it was too late. In other words, NPDC did not anticipate the external effects of the development program. As one merchant commented: "They've simply taken the problem they used to have on the north side of Portage with vacant shops and moved it across the street."³⁵⁵ Moreover, the corporation's lack of attentiveness to the situation frustrated merchants which added to the controversy. NPDC was not proactive, but rather it was forced to *react* to the demands of the merchants.

To be sure, while NPDC successfully coordinated and negotiated all aspects of the development process, as noted earlier, the corporation had a weak public communication program. The result of this weakness was that the planning and development process was perceived as exclusive, and as operating "behind the veil."³⁵⁶ This is not to suggest that the corporation did not fulfilled their public consultation obligations. However, according to several informants, the Board, as private sector individuals, did not feel compelled, in their words, to participate in "propaganda". Commenting on what he thought to be their perspective a consultant commented that the Board had "...tough decisions to make, so they made them, and bulldozed ahead."³⁵⁷ From a pragmatic business perspective, the negotiation process had to operate with a high level of confidentiality. Nevertheless, it was

³⁵⁴ Kent Gerecke & Barton Reid, "False Prophets and Golden Idols in Canadian City Planning," in K. Gerecke, ed., *The Canadian City* (New York: Blackrose, 1991)139.

³⁵⁵ *Winnipeg Free Press*, "Portage Merchants Skeptical,"12 Feb. 1989: A1.

³⁵⁶ Private Consultant.

³⁵⁷ Private Consultant

not until the Province prompted the Board to "...handle [the expropriation] in a more sensitive and humane manner" that a Community Relations position was created.³⁵⁸ The Community Relations Coordinator was hired as the in-house advocate for the businesses NPDC planned to expropriate. The Community Relations Coordinator was also responsible for keeping the local merchants abreast of the development's progress. Having established this position the corporation found out the majority of the businesses supported the development program. Yet, while NPDC did make some communication concessions, the NPDC model and the structure of the development process, in the words of one informant, did not allow for "...enough of a buy-in, there wasn't enough of an opportunity at the time because the time frames were so short and the process for public input were so protracted [that] there wasn't an opportunity in terms of a real buy-in from the downtown community let alone the entire city."³⁵⁹ To be sure, the lack of consensus, or community-building, was an oversight which, if addressed, could have dealt with negative perception issues at the forefront of the project.

Insofar as the physical reconstruction of North Portage has been successful, improving the negative perceptions associated with North Portage and the downtown area has not. The key objectives of the project, to be sure, were interdependent: for example, crime, safety, stimulation of new businesses, rejuvenation of older businesses, and creating a vital residential downtown neighbourhood. However, two studies, "Public Attitudes Study" in 1994 and, in 1996, "Quantitative Tracking Study With Frequent users of Downtown Winnipeg" together suggest that Winnipeg residents are still ambivalent about downtown, and about North Portage in particular. To be sure, fear of the downtown is still a critical issue. According to the 1996 study conducted by McKnight 2051 Inc.,

358 Private Consultant

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issues relating to crime and personal safety were the biggest problems effecting business in downtown.³⁶⁰

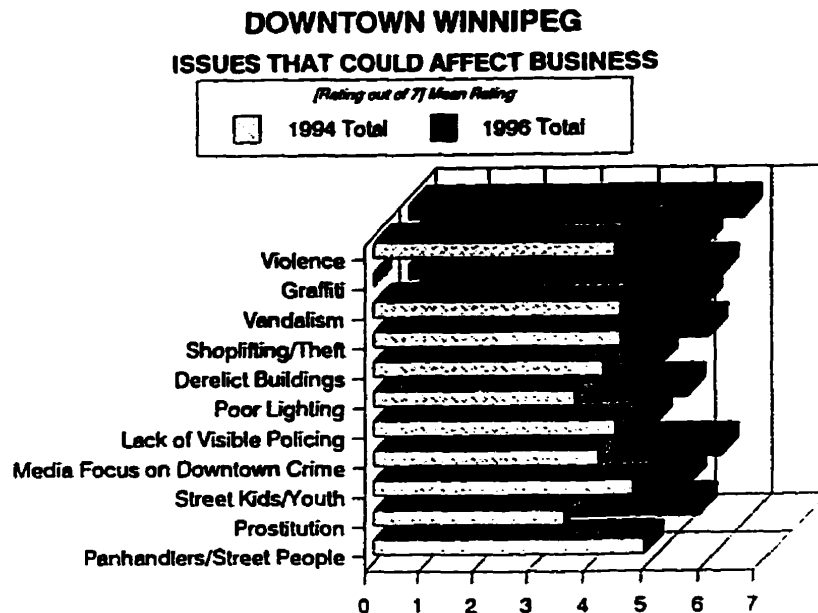


Figure 12
Source: Dennis McKnight 2051 Inc. "Quantitative Tracking Study With Frequent Users of Downtown Winnipeg"

Street kids, vandalism, vagrants and panhandlers all create, according to the respondents, a threatening environment. These are the same issues which were identified as major concerns prior to the North Portage intervention. With respect to Portage Ave., according to the McKnight survey, more than half of those interviewed (56%) thought that Portage Ave. had improved (26%) or remained the same (30%) over the last several years.³⁶¹

³⁶⁰ Dennis McKnight, "Quantitative Tracking Study with Frequent Users of Downtown Winnipeg," prepared for Downtown BIZ and The Forks North Portage Partnership, July (1996) 5.

³⁶¹ *Ibid.*, 17.

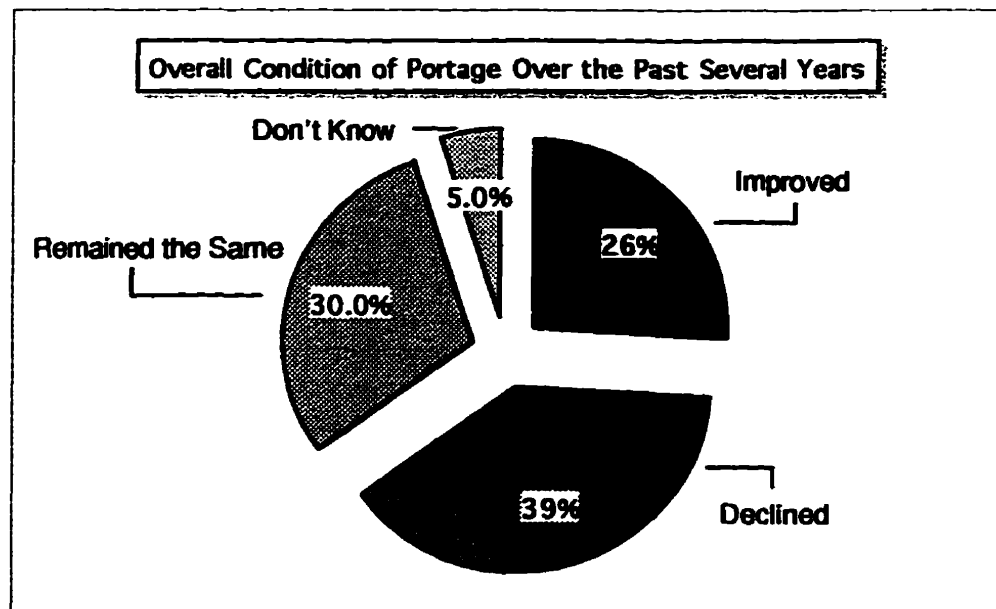


Figure 13

Source: Adapted from, Dennis McKnight 2051 Inc, "Quantitative Tracking Study with Frequent Users of Downtown Winnipeg"

Conversely, almost twice as many felt that Portage Ave. had declined (39%) as those that thought it had improved. The study points out that those who worked downtown were more likely to think downtown had declined (49%) compared to those who worked elsewhere (34%).

The 1994 study, conducted by Criterion Research, also suggests that some of the same issues remain a decade after the North Portage project was initiated. The most disliked features of downtown included parking (43%) and the type of people (33%) that the respondents encountered during downtown visits.³⁶² As the most liked feature of downtown Portage Place ranked fourth, with The Forks topping the number one feature people enjoy in the downtown area.³⁶³ To be sure, people considered downtown as a comparatively good place for shopping and entertainment, nevertheless, poor parking and security issues are continuously associated with downtown. Even in Portage Place, an

³⁶² Criterion Research, "Public Attitude Study, Final Report," prepared for The City Of Winnipeg (1994)12.

³⁶³ Ibid., 10.

enclosed mall, as the McKnight study discovered, 67% of the respondents felt Portage Place would be improved with increased security.³⁶⁴

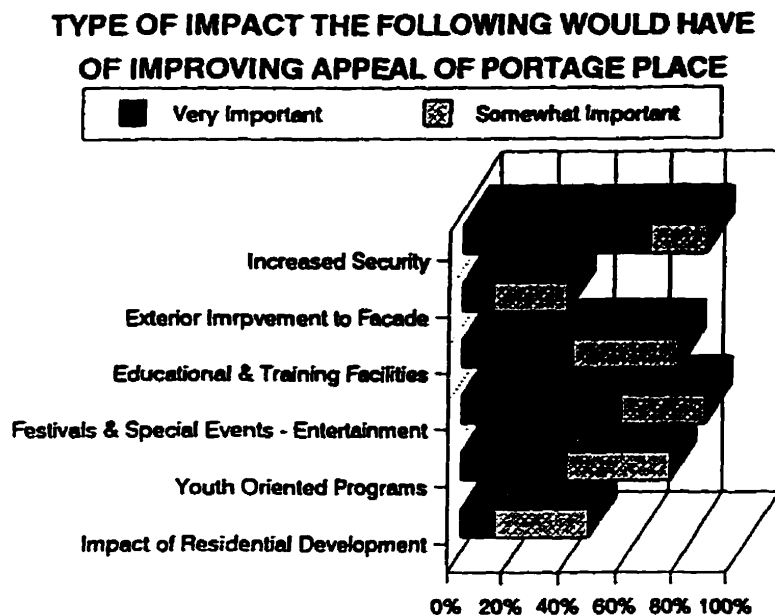


Figure 14
Source: Dennis McKnight 2051 Inc, "Quantitative Tracking Study with Frequent Users of Downtown Winnipeg" (1996).

Clearly, a single project such as North Portage did not, and can not, take full responsibility for reversing the decline of a downtown area. Moreover, the complexity of the social and economic phenomena effecting downtown decline necessitates ongoing attention to a diverse set of problems; as an exasperated consultant suggested "...we can't seem to solve this problem of North Portage, it is beating us to death." However, as the 1994 survey found, 84% of respondent supported further interventions and support from the government, and almost three out of four Winnipeg residents believed that all stakeholders, including the government, residents, and business, should be involved in the process of change. Clearly, as the North Portage initiative illustrates, downtown revitalization is an on-going process which can not be solved in a single project or through a single organization.

³⁶⁴ McKnight, 24.

Chapter Six

Conclusion

Revitalizing North Portage: A Contingency Approach in Practice

6.0 Introduction

This concluding chapter is divided into three sections. In relation to the theory and practice of downtown revitalization, the first section characterizes the North Portage revitalization process as a contingency approach. Second, this section identifies the critical success factors in the North Portage process, they are:

1. The leadership afforded by the federal, provincial, and municipal governments';
2. The creation of an implementation and coordinating entity to oversee and guide the process;
3. Public-private partnerships;
4. Project timing.

These four points represent the fundamental components, or the skeletal structure, of a downtown revitalization project.

The second section, based on the reflections of actors in the North Portage process, identifies the key lessons from the project. Informants suggested that while the project design and approach was essentially the best alternative there were three fundamental concerns with respect to:

1. The public communication program and public process;
2. The need for greater stability in the composition of the NPDC Board;
3. The *a priori* creation of the development mandate prior to creating North Portage Development Corporation.

In the spirit of Bolon's conceptual framework, the third section distills the generic principles of the North Portage experience in the form of a matrix. The matrix is applied to the North Portage process in order to provide a comprehensive view of the planning and development process. As a contribution to the practice of downtown revitalization, the matrix therefore provides urban planners with a 'checklist' of principles for this purpose.

The chapter concludes by summarizing the key issues of North Portage planning and development process and suggests areas for further research in the study of downtown revitalization.

6.1 Key Variables and Contingent Factors

The North Portage revitalization planning and development process was a contingent approach in urban redevelopment. In contrast, for example, to characterizing the project as technical-rational process, a contingency analysis provides a richer account of the social and political issues effecting the process. For example, a contingency approach posits that the appropriate range of choices regarding a process and organizational structure is contingent on any number of relevant factors.³⁶⁵ To be sure, a contingency approach is grounded in the planning and development context, and therefore articulates the history in which development process is ultimately situated. As one informant commented, by the time the North Portage project was initiated, there was a certain level of collective knowledge which had accumulated:

...the CAI brought three levels of government together, so you didn't have to sell the problem of having three governments working together. The governments, because of the several years of experience in the CAI, they could not have done the North Portage project without it. The Forks, in my opinion, without the prior experience that came from North Portage, you

³⁶⁵ John Bryson & Andre Delbecq, "A Contingency Approach to Planning," *American Planning Association Journal* April (1979): 167.

could not have done it. There was a lot learned, relationships formed, and frustrations that focused people's attention.³⁶⁶

That is, the combination of the social, economic, and physical decline of North Portage mixed with the political and financial opportunity provided by the tri-level partnership created the conditions for an innovative development process. More specifically, the historical context, in relation to the Trizec and CAI initiatives was the first critical factor; the second was the desire on the part of the tri-level governments to actively seek public-private partnerships; and the third contingent factor in the North Portage process was the inability of a regulatory framework to stimulate private investment on the North Portage site.

The above contingent factors suggest that timing and opportunity recognition is critical. To be sure, appropriate timing is always important, and it is no different in assembling a downtown revitalization process. The development history leading up to the North Portage initiative created the appropriate conditions, and when an opportunity arose decision-makers worked to capitalize on it. That opportunity came in two forms: redevelopment and investment inertia preceding the North Portage initiative ('crisis' as opportunity). Second, the seed funding which was available at that time, through the CAI, focused politicians and government officials attention on Winnipeg's CBD. The crisis and the funding were critical catalysts for reexamining the redevelopment approach, and to subsequently create a proactive development strategy. Moreover, the original commitment by the three levels of government to the CAI, and eventually to North Portage initiative, brought financial power, legal authority, and political legitimacy. All of which sent clear signals to the investment community, the Winnipeg public, and Winnipeg departments involved in the approval process to which the North Portage project was subject.

The final critical factor was the symbolic representation of the tri-level partnership as it was manifested in NPDC. In practice, NPDC undertook to fulfill the tasks that the

³⁶⁶ Private Consultant

private sector was not willing to engage in or did not have the financial capability to do so. For example, land assembly, infrastructure, parking facilities, and creating a mixed-use development which included non-profit organizations and public amenity space. Moreover, NPDC acted as mediator, facilitator and advocate for the project, and also acted as a buffer between the private and public sector. The corporation, in that sense, brought an innovative organizational model and financial capacity to the project which a traditional regulatory framework did not.

6.1.1 Organizational Innovation

According to Aiken and Hage's view, innovation is the first use of an idea within an organization, whether or not the idea has been adopted by another organization or not.³⁶⁷ The North Portage project was strategically and organizationally innovative in two fundamental ways. First, in the context of Winnipeg, decision-makers had accumulated knowledge based on previous experiences and research relating to other downtown revitalization process. Based on this politicians and senior bureaucrats introduced an innovative organizational model, the corporation, to expedite the North Portage project. Second, the organization was innovative, in relation to Aiken and Hage's definition, because the corporation modified some of the development priorities in relation to the context of 'the deal'. That is, the development objectives were modified according to the demands of the negotiating process. The development strategy, although operating within a specific mandate worked, applying Henry Mintzberg's concept, within an "unstructured structure".³⁶⁸ This is not to suggest that NPDC was structureless, as an administrator stated:

I think to the credit of the people setting up North Portage there were fairly clear rules as to what those dollars could be used for, the Board of the

³⁶⁷ Nord & Tucker, 6.

³⁶⁸ Ibid., 6.

corporation decided to operate within an even narrower field of what those resources could be used for than the three levels of government initially set out based on their own view of what the public sector dollars could be used for.³⁶⁹

The "unstructured structure" reference is applicable to NPDC in the sense the corporation worked within a public sector frame of reference, with respect to the use of public funding and achieving the public interest, but 'negotiated' in order to achieve the optimal deal. Negotiation was also critical for the North Portage project not only to achieve the optimal deal, but also to attract investors to the site. For example, according to an informant: "...I can tell you we had a list of major developers in Canada and a few in the States and not one of them actually submitted a proposal - the surprise was Cadillac-Fairview, and they only had a two page letter."³⁷⁰ Moreover, NPDC negotiators had to continue to operate with a contingent adaptive approach in order to complete the bargaining process; for example, "...the Investor project was totally contingent upon the Portage Place project, absolutely, the deal was signed but it was contingent....Art Mauro convinced his people to do something but they weren't going to do anything unless there was that image in the whole thing happening."³⁷¹

To be sure, in contrast to Winnipeg's regulatory framework NPDC brought a unique organizational perspective to the revitalization process. This is evident since "...the planning department could do very very little because the zoning by-law for downtown Winnipeg was pretty much 'do what you want' [at that time]. [When] I look back on it now I wish that we had been far more aggressive in the control of design and density over the years."³⁷²

³⁶⁹ NPDC Administrator

³⁷⁰ Private Consultant

³⁷¹ Private Consultant

³⁷² Public Sector Planner

That is, NPDC was, according to one informant, a "novel" approach for the Winnipeg context. As noted in chapter four, Burns and Stalker differentiate between mechanistic and organic structures, the latter concept resembles Mintzberg's notion of the unstructured structured. Organic structures, they hypothesized, are more able to adapt and innovate. Kast and Rosenzweig (1981) also suggest that "adaptive-organic organizational forms" are appropriate when, for example, the environment is relatively uncertain and turbulent, heuristic decision-making processes are utilized, and coordination and control occur through reciprocal adjustments.³⁷³ Based on this definition and the research findings of this project, NPDC resembled an organic structure. That is, while on one hand, it had an explicit hierarchy with elected officials at the top, Board members as intermediaries, down to the administrative staff of the corporation, the staffing and the development strategy was flexible enough to adapt to changing circumstances. Supporting Burns and Stalker's findings, Gerwin (1981) also observed that organic structures are best suited to early stages of innovation because "...they stimulate proposals, new sources of information, and insights."³⁷⁴ For example, the following quotes exemplifies the hypothesis that organizations, to be innovative, must be able "...to shift its structure as it moves through various stages of innovation."³⁷⁵

[W]hen [the corporation] started out, it had certain staff and certain expertise, but as it moved along it evolved. All of a sudden you're operating parkades, streets, IMAX Theatres - so the focus of the corporation evolved over time...we brought on more accounting staff as the accounting work increased, and have slowly divested ourselves of architects and planners...³⁷⁶

³⁷³ Couch, 106.

³⁷⁴ Nord & Tucker, 16.

³⁷⁵ Ibid., 16.

³⁷⁶ NPDC Administrator

The North Portage experience, in terms of planning, negotiation, and expertise, illustrates how the turbulent environment of downtown revitalization necessitates an innovative organizational environment which is structurally adaptive and organic.

6.2 Downtown Revitalization: From Theory to Practice

Theoretically downtown revitalization reuses, reinvests, and supports existing businesses and properties. Moreover, projects that are UDC-led are fundamentally action-oriented. According to a NPDC administrator, "[O]ne of the things development corporations do is they get things done...if you say you like things exactly the way they are, you like all the buildings exactly the way they are, then don't set up a development corporation." To be sure, development corporations, as opposed to statutory land use plans, are proactive in the way in which they stimulate, respond, and guide the development process. As a NPDC Board member stated:

I think a lot depends on whether you have a specific program of development in mind, or you simply want to fill space. If you want to deliver a pre-mix of things then you are going to have to have something that controls it. If all you are interested in is development, come what may, then you could do it differently...you could say 'we want to put building in this section, private sector come and make you proposals'. If you fill it all with apartment blocks, or fill it all with office buildings, or what ever come fortuitously out of that approach. But if you have a particular program in mind then you need an entity that not only represents a coming together of investors but also an entity that controls the development programming.³⁷⁷

This quote succinctly summarizes the theory and practice of UDC-led downtown revitalization.

³⁷⁷ NPDC Board Member

In addition to physical development, the NPDC process also illustrates, both in theory and practice, the economic growth agenda of revitalization processes. As detailed in the *process outcomes* section of chapter five, the focus of the NPDC process was on stimulating economic processes via public-private partnerships using a program of investment incentives. That is to say, the North Portage project was consistent with the notion of stimulation, not regulation, found in urban entrepreneurialism. However, the North Portage project was, in practice, a hybrid of downtown revitalization theory. On one hand, it actualized the practices downtown revitalization is criticized for, and on the other, it achieved the development objectives and provided a relatively supportive environment for existing social, economic, and physical structures. It linked public objectives in the redevelopment of the North Portage site with private sector business objectives. By linking those objectives NPDC was able to lever significant private funding to achieve a project which the public sector would not have been able to achieve alone. At the same time it is important to point out that the private sector could not have likely redeveloped North Portage without public sector assistance. However, the North Portage project also illustrates, to a certain degree, the dependence of the public sector on the private sector to assist the public sector in achieving their development responsibilities; for example, North Portage "...wasn't a live or die project for Cadillac-Fairview, more like their second project in Winnipeg...."³⁷⁸ To be sure, it was incumbent upon the public sector to "...come up with arguments to convince the people who were writing the cheques, i.e.: Cadillac-Fairview, One Canada Centre, Investors Group, the disaster Imperial residential complex, or Kiwanis, or whoever that it was, that it was in their interest to develop this way."³⁷⁹ In other words, the corporation, if it wanted to fulfill development objectives, had to create the investment conditions which would attract private investment, as well as

³⁷⁸ Private Consultant

³⁷⁹ NPDC Administrator

ensuring that the North Portage development plan was completed without excessive compromise to the demands of the private sector.

6.2.1 Public-Private Partnerships

There is not a 'typical' public-private partnership but, as Mayer points out, "...more and less intensive forms of cooperation and more and less traditional forms of partnerships coexist."³⁸⁰ The partnership type rests on the 'deal' between the private and public sector partners. In that sense, according to Kernaghan's classification in chapter four, the North Portage project created *operational partnerships*. Operational partnerships are characterized by the sharing of work rather than full decision-making power. This type of partnership emphasizes working together to achieve compatible goals, and may or may not include pooling or sharing of resources. The key point in operational partnerships is that the bulk of the power is normally retained by the public organization, however partners can informally influence each other. An informant's comment is analogous to this characterization:

Our lawyers are careful to say it wasn't a true partnership, the private sector took the risk and did the building, but we certainly worked together to try to collaborate on how to try to make the thing happen...[The partners are] trying to work toward the same end, but there are still differences between the parties, there are people who are working with the developer and people who are working with the corporation and those interests are still different, they have to be different. It is not like you are not cognizant of who you are serving.³⁸¹

The remarks above capture the ambiguity of negotiating within a partnership framework due to the tension between the development objectives of the two partners. The

³⁸⁰ Mayer, 237.

³⁸¹ NPDC Administrator

key point is that while each partner's ultimate objectives are different, an operational partnership informs to the extent that the arrangement allows the partners to work together. To be sure, partnerships create a high degree of uncertainty, but, for NPDC, it created the bargaining space for the corporation and the private sector to try to reach mutually acceptable development deals. Moreover, for example, if a simplistic continuum, with the public and private sector on extreme opposite ends, represents a traditional arrangement then the type of public-private partnerships struck at North Portage places each partner closer towards the middle, but not at the centre. That is, if each partner is situated in the centre the distinct objectives of each would blend entirely together. The blending, the analysis suggests, would not necessarily be productive in the sense that the active tension between the two has the potential to create positive synergistic results. For example, as a private consultant commented: "I think public-private partnerships [in the Winnipeg context] shows capability which otherwise seems to be absent in terms of achieving what this city needs to achieve." Moreover, the consultant suggested that establishing innovative organizational capacity is critical: in Winnipeg "...the private side has not evolved [therefore] you need to find mechanisms for local private leadership to get involved with governments; the way the world is evolving we have to maintain capability in Winnipeg...if you look at [the development history] we have done major things." To be sure, the consultant is referring to the idea that Winnipeg has learned from experience and has been relatively successful in pooling collective knowledge into a valuable local resource.

6.3 Exemplifying Contemporary Downtown Revitalization Practice

To be sure, in the Winnipeg context, or indeed, the Canadian context, the North Portage tri-level governmental and public-private sector partnerships exemplified emerging contemporary urban redevelopment policy in practice; viz., it brought together a complicated and novel arrangement of government and non-governmental actors in an

urban development process.³⁸² And as Mayer suggests, the new bargaining arrangements require innovative approaches because "...bargaining and decision-making processes increasingly take place outside of traditional local government structures, and that urban governance becomes based on the explicit representation and coordination of functional interests active at the local level."³⁸³

To be sure, the 'rules' of the bargaining arrangements are contingent on the political and economic circumstances, and the organizational capacity of the negotiating context. What the North Portage experience also conveys is that the 'rules', as suggested in the previous paragraph, are ambiguous and no longer are defined within a regulatory framework; in other words, each partner tries to "move the objectives and culture of the other towards their own ideas."³⁸⁴ Moreover, the North Portage experience also demonstrates that some of the key criticisms of UDC-led downtown revitalization process are true in practice. Fainstein argues that downtown revitalization processes must take a comprehensive view of how the initiative will effect those beyond the mandate boundary. Similarly, as a NPDC Board member commented,

The mandate of a corporation [should have been] carefully articulated with what else is happening in the urban centre. Plan Winnipeg and all of these things were happening in the background and the corporation was off doing its thing without carefully articulated or included in another process...[in other words], you must make sure that the scope of the bandaid is significantly broadened to deal with the wider issues.

6.4 Lessons from the North Portage Experience

This section synthesizes the key lessons practitioners learned from their experience as planners and developers in the North Portage project. While the majority of the

³⁸² Private Consultant

³⁸³ Mayer, 237.

³⁸⁴ *Ibid.*, 239.

informants responded very strongly that, fundamentally, the approach and the model was right given the circumstances, informants did impart on reflection that there were three key lessons which emerged out of the North Portage process: 1) the need for more proactive public communication and consultation process; 2) the need for stability within NPDC Board composition during the development process; and 3) the inability of NPDC to change particular aspects of the development mandate, as it was originally directed by the Administrative Task Force, restricted the flexibility of the plan during the implementation process.

6.4.1 Learning from Experience

The first, and primary lesson, was that the NPDC failed to create a relationship between the corporation, the project, and the general public. The relationship issue relates to how well the corporation created a public image and how they distributed information with respect to the development activities on the North Portage site. For example, according to a private consultant: "...the public image side of North Portage was not handled well....a bunch of people were just saying 'we'll just let the project speak for itself', we'll never do that again."³⁸⁵ The lack of public information was based on two key factors. First, public-private partnership negotiations demand a large degree of confidentiality because while the private sector preferred this, from the public sector's perspective "...the moment you make the first deal public it compromises your ability to get a good deal on the second one. You have to be really careful, if you are going to have successful negotiations, not to have the public sector with all its cards face up and the developer with his cards face down."³⁸⁶

Nevertheless, given that the decision-making process was modeled on a private sector model it is even more important, suggested an informant, that the lead organization,

385 Private Consultant

386 NPDC Administrator

such as the NPDC, devise an appropriate program which deals with community concerns. If a communication program is initiated in reaction to circumstances, as opposed to anticipating community concerns, the corporation, it was suggested, could have avoided the conflicts between NPDC and the South Portage merchants. Moreover, in addition to dealing with potential problems proactively, informants suggested that better consensus and commitment from the immediate community and Winnipeg at large could have been achieved. Some informants argued that the lack of commitment and consensus is due in part to the protracted community input process at the beginning of the project. However, as was identified in the chapter five, the inadequate public communication program was due in part to NPDC Board's perception that, other than rudimentary public information activities, an extensive public information campaign was not important. As an informant stated:

We always had problems with public relations. The NPDC didn't believe in public relations they thought it was self-serving propaganda rather than information. I said that we should be telling people what we are doing, we should been having informal sessions, we should give them presentations, issue more press releases, we should have an aggressive public information program.³⁸⁷

Moreover, in addition to risking alienating the general public it is important to ensure, through a comprehensive information program, that, in the case of North Portage, current projects do not impede future development processes.

You can only get away with [an exclusive process] for so long, but that environment doesn't last too long; in a few years it vanishes, the cooperation between all the parties, at all levels, vanishes. When you want to do something again, you want to concoct a model again, you have no way of doing that.³⁸⁸

387 NPDC Administrator

388 NPDC Board Member

In other words, it is important to build knowledge, interorganizational networks, and trust as a means to prepare for, ultimately, a forthcoming initiative. To be sure, as the process outcomes section stressed, the North Portage project is a single project within the history of downtown Winnipeg. In that sense, building networks and collaborative processes is simply creating the groundwork for future planning processes.

The second lesson is related to the affirmation of NPDC's planning and development approach. Informants suggested that while NPDC model had essentially worked (viz. it was correct to create a semi-autonomous coordinating entity, consisting of Board members from the private sector, and to devise a planning and development strategy based on public-private partnerships), the main problem was the changability of the Board representation: "...developments such as North Portage evolve from the involvement from certain actors from each level of the three governments and that the contexts change when the actors change."³⁸⁹ Moreover, suggested another, "...[with] a firm like NPDC if you happened to have a capable CEO, I don't care if he is a NDP, Conservative, or Liberal, if he had something to contribute to the development. I would have thought they would have looked a little broader than the political strip."

In addition to the shifting composition of the corporation, according to some informants, the rigidity of the development plan was an obstacle to the negotiation process; for example, it would

...have been better if the corporation would have been formed [first] and allowed to develop, or help develop the original framework, rather than receiving and being asked if we could make it work. I think we might have ended up with a better process had we had certain degrees of freedom to achieve certain solutions.³⁹⁰

389 NPDC Board Member

390 NPDC Board Member

Yet the financial autonomy afforded to the corporation and ability to make decisions with relative autonomy, for a public organization, was the trade-off. To be sure, it was the 'distance' from the political process that ultimately gave NPDC the ability to negotiate with considerably wider parameters than a regulatory framework. By implication however, a public sector entity, such as NPDC, has an inherent internal tension when it takes on characteristics of a private sector model. Reconciliation of this tension is resolved through well defined rules and boundaries. As an informant stated:

The government is the custodian of taxpayers dollars so they have to be so careful when they enter into a partnership that they are protecting the interest of the public, and we need a diverse and honest partnership, it must be a specific mandate but have the latitude to work within the mandate with very little interference...there has to be some trust, there is accountability but not necessarily a flow of information that would be a detriment to the ongoing interests...it worked here [for North Portage, but] I don't have a secret formula.³⁹¹

6.4.2 Some Things a Planner Should Know: Implementing a Downtown Revitalization Project Using Public Private Partnerships

As a rational pragmatic contingency approach, Bolon's framework identifies the type of 'patterns' which are most likely to tend toward action based on a given cluster of situational factors. The variables are not exact, but rather fall within the range of probabilities. Building on Bolon's framework and based on finding from the North Portage development project, figure 15 identifies generic variables and factors drawn from both the literature survey and the case study findings of the North Portage planning and development process. The matrix represents the key variables as interlocking spheres, and the larger circles enclosing the variables are the factors which influenced the development

³⁹¹ NPDC Board Member

To be sure, the matrix does not presume to identify all the dimensions, rather it articulates a range of the variables and factors which influenced, in the North Portage case, the 'culture' and conditions of the planning and development process. It also identifies aspects of the process which could have been strengthened to make it a better project. The dynamic interplay between of the variables and factors, while particular to the North Portage experience, are also fundamental to UDC-led downtown revitalization processes.

Key Variables and Factors in the North Portage Project Critical Interdependent Components of Public-Private Partnerships in a Downtown Revitalization Process

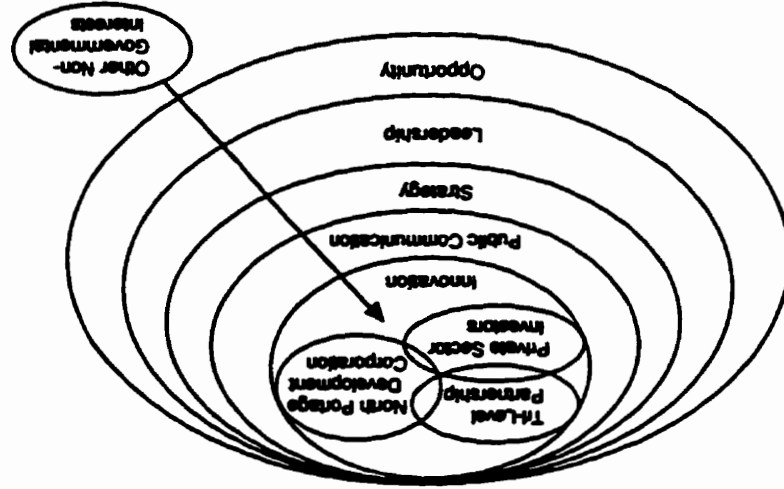
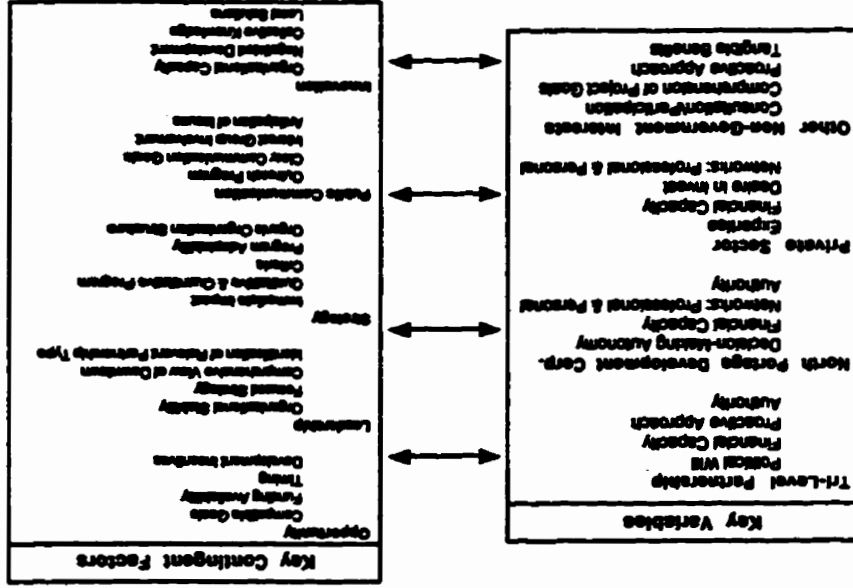


Figure 15



The North Portage Project: An Urban Planning Perspective on Public-Private Partnerships and Downtown Revitalization

The above figure identifies four key variables as the fundamental components necessary for downtown revitalization using public-private partnerships. As the figure suggests, each variable is interdependent with the other variables, and each variable brings particular skills and expertise which complement the others and the project as a whole. For example, the tri-level partnership brought *political will*, *financial capacity*, and *legal powers* to the North Portage project. NPDC, an entity which represented an aggregation of the three levels of government, brought greater *decision-making power* than a regulatory framework, *authority* to implement the development plan, public and private sector *professional networks*, and *financial capacity* to complete a large-scale project. Like NPDC, the private sector investors brought *financial capacity*, but they also brought *specialized knowledge* of the development industry and inter-industry *professional networks*. The last group, other non-governmental interests, was not well developed in the North Portage project. In general, based on the North Portage project and other initiatives, involvement of non-governmental actors, other than private sector business interests, remains a controversial aspect of revitalization projects, as noted earlier in this chapter.

The four key variables represent the necessary ingredients for public-private partnerships in downtown revitalization processes. In addition to the variables, downtown revitalization processes must take into account five fundamental factors of process and substance which will impact on the project: *opportunity*, *leadership*, *strategy*, *public communication*, *innovation*.

Opportunity relates to the compatibility of goals between project participants. Public-private partnerships depend upon both the private and public sector finding ways to meet their own objectives within the partnership arrangement. Indeed, each 'partner' may have different priorities and criteria of success, however they may also realize their goals can be accomplish more readily by participating within a *collaborative* format. Opportunity also relates to the availability of *funding* and the ability to provide attractive *incentives* to private sector investors; also related to both of these issues is whether the timing of the

project coincides with the opportunities. The North Portage, as it emerged out of the CAI process and the subsequent political support for the initiative, was able to harness all of these factors to their advantage.

Leadership is a very important element within the factor scheme. Without leadership from the politicians, and the public sector in general, it is very difficult for a project to find legitimacy and support from financiers and opinion-leaders. The North Portage project achieved critical leadership which was afforded by the tri-level partnership as it was manifested in NPDC. It is also important to find local private sector leadership, though in the North Portage experience there was not sufficient evidence to suggest this was or was not achieved. The exception was that NPDC Board of Directors represented a critical mass of local private sector participants, amongst other key local community-leaders. In addition to *targeting* the specific project site, the notion of leadership also suggests that the lead organization should take a *comprehensive* view of the entire downtown by, first, anticipating how the project will impact beyond the mandate area, and second, supporting initiatives that are beyond physical development. In that sense, while the project strategy must be focused, decision-makers must also take a larger holistic view of the project in terms of impact assessment and 'community' revitalization. Also included in this category is the degree of organizational stability. The more *stable* an organization is the greater chance for continuity in the decision-making process. While NPDC was reasonably *stable*, the key informants also suggested that the composition of the Board of Directors was vulnerable to the contemporary political regime, and therefore experienced a degree of fluctuation during the implementation process. The last critical factor in this category is the *partnership type* chosen for the public-private partnership. As previously identified, the North Portage project was an operational partnership, however other arrangements, such as a joint venture, are also possible. That decision should be based on the planning and development context.

The third factor is the type of *strategy* adopted by the lead organization to achieve the project goals. According to the literature and substantiated by the North Portage project, the most effective projects have an *immediate impact* on the development site, and have *quantifiable project criteria*. The latter issue addresses the ability to calculate the success or failure of the project's objectives. To be sure, calculating whether an urban development corporation has achieved its full program of objectives is extremely difficult.³⁹² For example, projects are commonly evaluated based on the number of new businesses in the project area, the number of jobs created, or the amount of private investment the project successfully attracted. Based on that criteria North Portage was successful. However, based on less concrete criteria, such as reversing the poor image of the area, the project was less successful. Nevertheless, the development program was largely achieved, due in part to the balance between *program adaptability* and having a strong initial development vision. In the North Portage project this vision was provided by the Administrative Task Force with the implementation responsibility in the hands of the development corporation. The development programming was adaptable to the extent that decisions were based, to a certain degree, on signals from the market place. The last issue within this category addresses the organizational structure. Research suggests that the most effective organizational type is *organic*. From a decision-making and staffing perspective, an organic structure is less rigid thereby allowing a larger degree of flexibility than a traditional bureaucratic organization. In other words, an organic structure is appropriate for a quick-start projects which require more team-like environment. The research also suggests that as a project and organization matures traditional organizational structures are more appropriate since these structures bring the necessary stability for longer-term planning.

The fourth factor is the level of commitment by project leaders to a diverse *public communication* program. As previously mentioned, urban development corporations are

³⁹² See, M. Wilder and B. Rubin, "Rhetoric Versus Reality: a review of studies on state enterprise zone programs," *American Planning Association Journal* Autumn (1996).

often criticized for having ineffectual public communication programs. An effective communication program, the findings suggest, should have a proactive community *outreach program* which clearly articulates the *project goals*. The second issue of this factor is the level of *involvement* and type of interest groups which are involved in the process. For example, in the case of North Portage some informants suggested that the process did not actively consult interests on an ongoing basis who might be directly effected by the project, nor did the North Portage process create the type of public communication program that excited Winnipeggers about the potential of the North Portage initiative. The Community Relations Coordinator, a position which assisted local businesses in the expropriation process and kept them in touch with the project's progress, did help the corporation with these issue. To be sure, it is critical for a project to have a pipeline of information between community interest groups and decision-makers in order to *anticipate* problems and to capitalize on opportunities.

The last contingent factor is *innovation*. Innovation relates to the organization's ability to be flexible and adapt to the decision-making and implementation circumstances of the planning and development context. According to the key informants and based on other revitalization experiences, *organizational capacity* to make decisions within a short time-frame and to ensemble a negotiation team with the correct expertise for each stage of the project is important. This factor assumes that the organization will experience staff turn-over as the project progresses. Also, as the findings suggest, the notion of *negotiated development* represents a significant departure from a regulatory perspective and is fundamental to public-private partnerships. The last two criteria within this factor category is *collective knowledge* and *local solutions*. To be sure, collective knowledge is a valuable local resource and must be retained as the community learns from each redevelopment effort. For example, with each redevelopment effort participants, from the public and private sector, as well as community and non-profit groups, learn more about how to build collaborative relationships, or similarly, how to create antagonism. Lastly, creating relevant

local solutions is a fundamental revitalization principle. This is not to suggest that achieving local solutions is the experience of all revitalization projects, indeed some critics argue this rarely occurs. However, the important lesson for future projects is that successful revitalization processes invariably include a strong dose of local ideas and implementation processes that emerge from the local context. To be sure, as the municipal level gains more responsibility for a diverse range of urban issues, in both social and physical redevelopment issues, collective knowledge, retaining local capacity, and building inter-sectorial relationships will be critical for the future of city centres.

6.5 Summary

To the extent that the North Portage revitalization initiative exemplifies a 'classic' downtown revitalization scheme in terms of the development program, the UDC model, and the pitfalls of this type of process, it also demonstrates the problem of stimulating redevelopment in a section of downtown which is, from the private sector's perspective, an unattractive investment proposition. In other words, the circumstances in Winnipeg demanded an innovative solution to a problem which had been inadequately addressed through a traditional regulatory framework. As such, it was correct to rethink the original approach and to engage in a highly proactive redevelopment strategy by bringing together interdisciplinary skills and expertise from both the public and private sector. To be sure, the North Portage process also illustrates the complex phenomena that downtown revitalization processes confront: physical decline, economic stagnation, and the difficulty of confronting a deteriorated downtown site with an extremely negative public image. It is, as the North Portage project research findings suggest, not a simple matter of applying a standard redevelopment formula, rather, it is critical to have a clear understanding of the context and to apply a focused and relevant redevelopment approach. The approach should address both physical reuse and redevelopment, and should also address economic development and the development of social capital.

Insofar as contemporary urban development processes include new alliances between non-governmental actors, what the North Portage process illustrates is that these new alliances also introduce new 'rules' into planning and development negotiations. In order to understand the rules, the practicum research findings suggest that it is critical to: 1) have a full understanding of the role and objectives of each partner in public-private partnerships; 2) be able to identify the points of common interest; and 3) to introduce ways in which to address project objectives that will achieve the overall development priorities of each partner. However, the rules of negotiated development are ambiguous. While the public sector entity must have, according to informants, clear parameters in which to operate within, after that the terms of negotiated development become less clear. In practice, the North Portage process exemplified three issues: First, how UDC negotiators operated in a 'gray zone' between the private and public sector. Second, how public accountability problems emerged whether they are well-founded or not; this is exemplified in the way in which the public is relatively uncomfortable with this type of model, especially when public communication is inadequately addressed. This leads to the third point, while on the one hand, UDC-led interventions are proactive, a reactive approach, or rather the lack of attention, to public process can create controversy which might have otherwise been avoided.

Further research on downtown revitalization ought to look at the weaknesses of the approach as a means toward introducing modifications into this type of planning and development. In other words, given that there is an inherent internal tension when a public sector entity adopts a private sector planning and decision-making approach, future research needs to identify and examine the type of modifications which would address concerns that, as an approach, downtown revitalization privatizes planning and development processes. To be sure, the role that urban planning should play in reconciling political and economic interests in urban development is illustrated in figure 16 on the next page.

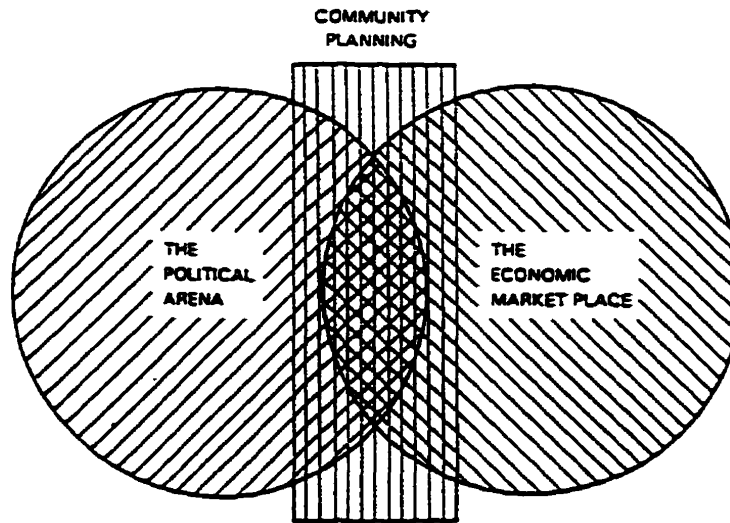


Figure 16
The Place of Planning in Community Decision-Making
 Source: Gerald Hodge Planning Canadian Communities

Further research should also examine the 'new alliances' of local planning and development. A clearer understanding of the new alliances enriches the notion of public-private partnerships and could offer fresh insights into emerging conditions of contemporary planning practice because, as the research findings indicate, negotiating capacity at the local level is critical. A private consultant commented:

[W]hat is happening is that municipalities are getting caught in conflict...[with] the development team doing the work. There is hardly anyone advising from government side because all the pizzazz is perceived to be on the private side, so you can't do public-private partnerships if they aren't balanced, you can't do it if there isn't a strong public team, clear credible objectives, clear credibility to back it up, and the ability to negotiate and do the deal on behalf of the objectives. If you hadn't had it [with the North Portage] you would have ended up with a half-assed project. You would have expropriated the land and handed it off to whoever was the first guy through the door, who had to political muscle to say 'Hey, I can't do it all'. You would have nothing in comparison to what you have now. You have to believe that the public has a role to do a job like [North Portage].³⁹³

³⁹³ Private Consultant

To be sure, while the North Portage project has successfully stimulated private sector investment and physically redeveloped the North Portage site, the intervention has not been entirely successful in addressing the negative image of Portage Ave. The history of decline still lingers, even though the old buildings are gone, or have been renovated, and new structures have brought new residents and new businesses into the area. Realistically, it is too much to expect that a single intervention should reverse years of social, economic, and physical decline. Moreover, it is also unrealistic to expect that a single development project should alone address larger economic forces that are negatively impacting the downtown area. Indeed, now and into the future many city centres across North America will need proactive and sophisticated strategies to deal with the level of change which will occur in their downtowns. At the moment some cities are 'reinventing' their financial districts with the objective of creating residential neighbourhoods in renovated office towers. For example, the City of Toronto has altered zoning by-laws to encourage developers to renovate office buildings and industrial spaces into residential units. In New York City, planning authorities and developers are making plans to turn the Wall Street financial district into a residential community. These strategies are two examples of current responses that anticipate change, rather than waiting for the areas and the buildings to fall into total disrepair, and that look for opportunities in existing physical structures. While the North Portage project did not introduce a radical redevelopment formula, as Toronto and New York City examples could be viewed as, it did however illustrate a new direction in downtown development. This direction is best described as purposeful intervention by the public section in partnership with the private sector. To be sure, the North Portage project was at the cusp of this trend.

Lastly, what the research findings also suggest is that, in general, downtown revitalization as a redevelopment approach has not been successful in drawing a variety of interests into the planning and development process. To be truly innovative, downtown revitalization processes must incorporate methods that build a level of consensus with

respect to the development mandate and to create a diverse network of actors in the process. To be sure, consensus is difficult to achieve. However the point is that consensus, as it pertains to different interests and their needs, is necessary to create sustained commitment from the larger community for the intervention. This type of downtown revitalization approach will likely also provide the groundwork for future collaborative efforts.

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Appendices

Appendix 1

Implementation Mechanisms and Procedures

Excerpt from Technical Report: North Portage Administrative Task Force July (1983)

IMPLEMENTATION MECHANISMS AND PROCEDURES

A. INTRODUCTION

The Task Force was mandated to investigate alternative delivery or implementation mechanisms for the development of the North of Portage area, including a review of mechanisms in other jurisdictions. As a result of these investigations, representations made by various organizations and the private sector, as well as interactions with the Task Force, a recommended implementation mechanism was developed including a discussion of procedures for implementation.

B. MECHANISMS

The various alternative mechanisms which were reviewed are as follows:

- a federal crown corporation
- an ordinary federal corporation
- a provincial crown corporation
- an ordinary provincial corporation
- a community development corporation
- the City of Winnipeg
- the Government of Canada
- the Province of Manitoba
- an ordinary partnership including two or more of the above entities
- a limited partnership including two or more of the above entities and possibly others.

The advantages and disadvantages of the alternative mechanisms may be summarized as follows:

1. Federal Crown Corporation(s)

The creation of a federal crown corporation would require the enactment of an Act of the Parliament of Canada, unless there is an existing Crown Corporation or Group of Crown Corporations which might undertake the redevelopment, i.e. Canada Mortgage and Housing Corporation, and/or Canada Development Corporation.

Such a new corporation could be given powers beyond those of an ordinary corporation (either federal or provincial) within the constitutional authority of the Government of Canada.

Examples of such extraordinary powers are:

- (i) power to expropriate, or,
- (ii) the power to issue tax free interest bonds.

Since such a corporation would require an Act of Parliament, it would likely not be available for a quick start. In addition, such a corporation would likely not be bound by municipal or provincial law.

2. Ordinary Federal Corporation

A corporation created under the Canada Business Corporations Act would be required to be registered under the Manitoba Corporations Act and would not have any powers or disabilities materially different from those of an ordinary provincial corporation. (See 4. below.)

3. Provincial Crown Corporation(s)

The creation of a provincial crown corporation would require the enactment of an Act of Manitoba, unless there is an existing Crown Corporation or group of crown corporations, i.e. Manitoba Housing and Renewal Corporation and/or Manitoba Development Corporation.

Such a new corporation could be given powers beyond those of an ordinary provincial corporation within the constitutional authority of the Government of Manitoba.

Examples of such extraordinary powers are:

- (i) Power to override the City of Winnipeg Act, or
- (ii) power to issue Government Guaranteed Debentures.

Since such a corporation would require an Act of the Legislature, it would likely not be available for a quick start. In addition, such a Corporation would likely not be subject to municipal law.

4. Ordinary Provincial Corporation

An ordinary corporation created under the Manitoba Corporations Act would have the powers of a natural person combined with the ordinary limitation on financial liability of its shareholders and sponsors. It would operate through a Board of Directors appointed or elected by its shareholders or sponsors and engage a professional staff to carry out its

mandate as directed by its Board. Having a separate legal status, it would then be capable of contracting with both the private and public sectors. Such contracts would be binding on the corporation but not on the shareholders or sponsors.

5. Community Development Corporation

Such a corporation may be created under provincial law and is identical to an ordinary provincial corporation (see 4. above) except for certain provisions in Sections 262 to 264 of the Corporations Act (Manitoba).

Either an Ordinary or a Community Development Corporation would be subject to the City of Winnipeg Act and the Ordinary approvals required from the City of Winnipeg with respect to development.

6. The City of Winnipeg and/or the Province of Manitoba and/or Canada

Any one or more of the three levels of government have the lawful authority to undertake the redevelopment of the area North of Portage. Having regard to the joint financing proposal, it is assumed that if any one or more of the Government of Canada, Province of Manitoba or City of Winnipeg undertook such a redevelopment it would require certain agreements with the other governments. These agreements would provide legal authority by contract to the government(s) undertaking the redevelopment where such authority does not now exist or where government policy would so require.

7. Ordinary Partnerships

Any two or more legal entities may enter into a partnership agreement to carry out a lawful business purpose. The relationship requires the intention of the parties to create such a relationship. The parties may agree to share profits or meet losses, supply capital or borrow capital as ordinary business people would.

Such a partnership would have the full financial backing of the partners who would be liable for all of the losses of the undertaking.

This is not a likely vehicle.

8. Limited Partnership

A limited partnership is a form of partnership which permits certain partners who wish to invest capital and who are prepared to be passive investors to limit their liabilities.

It has become a common form of business entity in the raising of capital for real estate development projects as it permits certain tax benefits to flow to the passive investors.

While this form is not a likely vehicle for the overall development of the North of Portage, it should not be disregarded as a potential financing tool for any component contained within the overall development.

C. A REVIEW OF MECHANISMS IN OTHER JURISDICTIONS

The following information has been supplied by the organizations named in each section listed hereunder and is unique to each project.

1. Toronto - Harbourfront Corporation

(a) Equitable Sponsor

Harbourfront Corporation is a company chartered in the Province of Ontario. The Federal Government is the sole sponsor.

(b) Mandate

The Crown owns all of the lands known as Harbourfront, although certain portions are a lease-back until specific dates. The basic purposes of the Corporation are to:

- (i) provide for public enjoyment of the Harbourfront lands through cultural and recreational programs, activities, and facilities;
- (ii) redevelop the lands with a network of parks, walkways, and other open spaces, a water's edge promenade, services, access routes, and public buildings and facilities;
- (iii) encourage the development of housing, office space, retail, entertainment, and marine-oriented uses as an extension of the urban pattern to the waterfront.

(c) Funding to Meet Mandate

Between 1972 and 1979, the operating and capital funding requirements for Harbourfront appeared as an item in the estimates of the Federal Department of Public Works. In 1979, a seven year overall plan was approved under which Harbourfront received a grant of \$27.5 million. Of this amount, \$7.5 million has been set aside to underwrite operating losses and the remainder is to be used for capital costs and infrastructure.

(d) Directors

The Board of Directors of the Corporation is appointed by the shareholder, i.e. the Federal Government. For the purposes of Harbourfront the shareholder is represented by the Minister of Public Works. There is a nine-member Board, appointed by the Minister. One Member of the Board is recommended by the Mayor of the City of Toronto and another by the Chairman of Metro Toronto. Board Members are not paid a salary. The Premier's executive assistant attends board meetings although no conventional agreement exists between the provincial government and the Board.

(e) Shareholders

The shares of the Corporation are all owned by Her Majesty, the Queen in Right of Canada, i.e., the Federal Government.

(f) Planning Process In Setting Objectives

The Corporation operates by way of a Management and Development Agreement with the Crown. This agreement provides that Harbourfront Corporation will operate, manage, and develop the site in accordance with the October, 1978 "Development Framework" report.

The Corporation is committed to a financial plan to break-even in its operations by fiscal year 1984/85. Meanwhile, the Crown provides a grant to cover the Corporation's deficit.

(g) Term

By agreement the Harbourfront Corporation has various development goals to achieve by 1987. The corporation's life, however, is continuous.

2. Ontario Place Corporation

(a) Equitable Sponsor

100% Province of Ontario.

(b) Mandate

To operate and manage Ontario Place in a way such that the citizens of Ontario gain a better understanding of the province. Ontario Place also functions as a catalyst for other waterfront developments in Toronto.

(c) Funding to Meet Mandate

The government of Ontario provides both capital and operating funds to Ontario Place Corporation. In 1982 - 1983:

Operating = \$2 million
Capital = \$1.5 million

(d) Directors

The Board of Directors represents the Province of Ontario. All board members are selected from the private sector. Thirteen members sit on the Board, one of which is the Deputy Minister of the Department of Tourism and Recreation.

(e) Shareholders

100% of the Ontario Place corporation shares are held by the Province of Ontario.

(f) Planning Process in Setting Objectives

The Ontario Department of Trade and Development was responsible for the development and construction of Ontario Place. The Department operated and managed the facility for approximately 1½ years after its opening in 1969. The province then created the Ontario Place Corporation to assume responsibility for the facility in 1971.

(g) Term

The life of Ontario Place Corporation is continuous.

3. Halifax - Halifax Development Ltd.

(a) Equitable Sponsor

HDL is a private company not sponsored by government at any level. HDL, however, is a publicly traded company on the Toronto Stock Exchange.

(b) Mandate

HDL was created in response to a joint City of Halifax and CMHC development and proposal call. The mandate of HDL is to manage and develop the Scotia Square development and any other development.

(c) Funding to Meet Mandate

HDL's funding comes through stock issues and general mortgages. Mortgage funds are raised on an as required basis (i.e. for each component or phase). Current long term debt is \$41.32 million.

(d) Directors

The board consists of 12 private individuals who have invested in HDL.

(e) Shareholders

86% Nova Scotia
14% Other Canada and U.S.A.

(f) Planning Process in Setting Objectives

The City of Halifax and CMHC put out a request for proposal. HDL was formed and responded to the request. The request included various guidelines and criteria for design and the ability of the developer to fund the project.

(g) Term

Life of HDL is continuous.

4. Vancouver - B.C. Place Development Corp.

(a) Equitable Sponsor

100% Province of British Columbia

(b) Mandate

- a. To acquire land and build a stadium.
- b. To build a public gathering place where the public can learn about British Columbia and the world.
- c. To sell or lease designated lands for revenue.
- d. To develop remaining infrastructure to facilitate leasing or selling.
- e. To return a profit to the province so that similar future development can occur.

(c) Funding to Meet Mandate

\$205 million for the land and stadium. Information on other borrowing requirements is confidential, however, the expected cost for B.C. Place is \$3.5 billion over 25 years.

(d) Directors

With the exception of the provincial Minister responsible for B.C. Place, the Board of Directors consists of senior businessmen from the private sector in B.C. The General Manager and Vice-President, Corporate Relations of B.C. Place also sit as directors.

(e) Shareholders

In order to remain tax-free, 100% of the shares for B.C. Place are held by a second provincial crown corporation called the B.C. Building Corporation. Voting of the shares is held with the B.C. Minister of Finance.

(f) Planning Process in Setting Objectives

B.C. Place Corp. utilizes a management by objective process. Each year, B.C. Place prepares either a 1 year or a 5 year project base plus alternative actions. The base case plus the alternatives are submitted for board consideration. Financial plans are drawn up based upon the case accepted by the board.

(g) Term

B.C. Place Corporation has a continuous life. The determined project life is 25 years however, with leasing and selling responsibilities, B.C. Place will continue indefinitely in some form.

5. Regina - The Development of Cornwall Centre

In 1976, SaskTel announced its intentions to develop a new building in downtown Regina in order to accommodate its expanding operation. It acquired one city block for a new office tower. Concurrent with SaskTel's plans and unknown to SaskTel, the City of Regina and the government of Saskatchewan began discussing the possibility of a major revitalization development for Regina's central business district. The Premier of Saskatchewan and the Minister of Municipal Affairs urged SaskTel to locate in downtown Regina in a modest development consisting of a few government buildings, i.e. SaskTel, Saskatchewan Government Insurance Corp., plus a few galleries and shops.

The Provincial government, in studying the options for development, retained consultants to evaluate the requirements for a downtown development which could meet government's expected benefits. The government view of the development, according to the consultants, was too modest and a development of greater magnitude than that originally conceived by government would be required to achieve the revitalization goals the government desired. The Province of Saskatchewan also became concerned that SaskTel was becoming far too involved in land development -- an area in which it had little expertise. As a result, the Departments of Urban Affairs, Finance and Treasury Board assumed responsibility for the development.

This new group responsible for the downtown development approached Chartwood Developments of Toronto to prepare a new development plan. The Government had also entered into negotiations with Eaton's to become involved in the project. Chartwood continued the discussions with Eaton's and a development proposal, consisting of the original government buildings plus one or two anchor stores, was proposed. Eaton's agreed to participate in the project.

In addition to supporting the need for a downtown Revitalization Project, the City was involved in the planning of the overall project to ensure that it would meet with the surrounding area's needs and be consistent with the City's plan for the long term development of the downtown area. In Phase II of the project, the City made a contribution of land up to a value of \$2 million for a Sears store to become a part of the development. Also, the City had purchased small parcels of land to widen roads.

Other areas in which the City has become involved include:

- negotiations between the Province and City to have the City provide a remission on the taxes for the Cornwall Centre parking facilities;
- negotiations on whether school taxes are applicable;
- heritage issues, i.e. SaskTel had purchased from the City an old Courthouse; and
- an agreement between the Province and the City that the City's streets and lanes contributed to the development will, after a fixed period, revert back to the City but at a percentage of the property.

The 12 acres for Cornwall Centre, owned by the Province of Saskatchewan, has been given to Chartwood on a lease-back basis. After 75 years, the land reverts back to the Government. The land was purchased incrementally by the Government.

In addition to deciding to locate the SGI and SaskTel Head Office buildings in the downtown, the Province committed itself to assembling a site large enough to accommodate the retail and residential components of the Revitalization Project. SaskTel was given the responsibility for land assembly, in addition to providing overall coordination for the integration of the retail mall with the SGI and SaskTel buildings.

The facilitating role of the Province was to assist with mortgage financing for the retail mall. The people of Saskatchewan will receive a good and continuing financial return for this investment as the cash flow from the Centre's operations grows.

Chartwood Developments Limited is the developer responsible for the construction and initial leasing of the retail mall, and this company in partnership with Eaton's will also be responsible for the ongoing management and operation of the retail aspects of the Cornwall Centre.

D. THE PROPOSED IMPLEMENTATION MECHANISM - THE COMMUNITY DEVELOPMENT CORPORATION

The review of the vehicles created in Ontario, British Columbia, Saskatchewan and Nova Scotia leads inevitably to the conclusion that each implementation mechanism was formed in response to the particular needs, interest and circumstances in each community.

approved financial plan within a five-year time frame which will be considered as Phase I.

6. Within the Phase I time frame, the Development Corporation will prepare a Phase II concept and financial plan and possibly a Phase III concept and financial plan.
7. The Development Corporation will have the power to borrow funds within the constraints of the approved financial plan.
8. Any material amendment to the Phase I Concept Plan or Phase I Financial Plan necessitated by market conditions or the results of the proposal call process will need to be unanimously agreed to by the shareholders.
9. After an appropriate period of time the Development Corporation Board will jointly review progress towards implementation with the shareholders.
10. All other decisions of the Board of Directors and shareholders will be governed by majority decision.
11. All borrowing by the Development Corporation will in principle be made without guarantees. However, guarantees may be granted by any level of government from time to time within the mandate of each level of government.
12. The Development Corporation will hold an annual meeting and issue an annual report.
13. Directors will be entitled to compensation in such amounts as may be determined by the shareholders at the time of the organization of the Development Corporation.
14. The Development Corporation, through its Directors, will engage a chief executive officer, who will then recommend the establishment of appropriate staff.
15. It is recommended that Directors be appointed for a five-year term following which they may be appointed again on a rolling basis to allow for continuity. To facilitate early action, the Corporation may be formed with an interim Board of Directors as may be determined by the shareholders.

E. PROPOSED IMPLEMENTATION PROCEDURES

The Task Force concludes that the following steps should be undertaken to implement the recommended Concept Plan.

1. The three levels of government approve the recommended concept and financial plan for the North of Portage area and proceed with land acquisition and assembly as required.
2. The establishment of the Development Corporation whose mandate will be:
 - to implement the approved concept plan in accordance with the financial plan;
 - to hold the assembled land;
 - to develop, coordinate and deliver the public sector components;
 - to provide the necessary incentives to stimulate the private sector development and coordinate it with the public sector components; and
 - to encourage on behalf of the shareholders the specific elements recommended by the Task Force to be carried out by organizations other than the Development Corporation; this includes facilities such as Science Place Canada, YMCA renovation, University of Winnipeg Community Centre, the Women's Centre, the Union Centre complex, the Royal Winnipeg Ballet, and the Science Centre.
3. The provision of firm financial and other required commitments to the Development Corporation by each level of government.
4. The calling for proposals by the Development Corporation for identified components of the plan.
5. The securing of the necessary zoning and planning approvals in accordance with the overall concept plan in order to implement the plan.

The overall development would be phased over a ten-year period, with Phase I encompassing five years, 1983 to 1988. The elements to be implemented during Phase I are:

- (a) land acquisition and assembly;

- (b) development of the Portage Place complex including development of at least 200,000 square feet of retail space;
- (c) development of at least 1,100 units of housing including a senior citizen housing component;
- (d) development of at least 200,000 square feet of office space; and
- (e) construction of infrastructure including 1,500 parking stalls, open spaces and weather-protected passageways.

In implementing Phase I elements, the Development Corporation will invite private development of the retail, housing and office elements of the plan.

The relationship between the Core Area Agreement and the Development Corporation should be clarified at the outset by the shareholders by way of the approval of appropriate project authorizations and by way of other necessary formal agreements.

Appendix 2

Building Activity in the North Portage Area: January 1984 - June 1992 From, North Portage Development Corporation Future Activities of North Portage Development Corporation. A Report to the Shareholders Dec. (1992).

BUILDING ACTIVITY IN THE NORTH PORTAGE AREA: JANUARY 1984 - JUNE 1992

		PERMIT YEAR	PERMIT EST. COST \$ 000s	PERMITS PER PROPERTY \$ 000s	PERMITS PER AREA \$ 000s	% OF TOTAL DOWNTOWN
<u>NORTH PORTAGE DEVELOPMENT</u>						
Portage Place	393 Portage	1986-1992		63,008.4		
Place Promenade	400 Ellice	1986	2,980.0			
		1987	1,351.0	4,331.0		
	400 Webb	1987	13,469.0			
		1989	180.0	13,649.0		
Fred Douglas Place	333 Vaughan	1988	100.0			
		1988	1,500.0			
		1989	6,600.0			
		1989	12.0			
		1990	10.0			
		1991	50.0	8,272.0		
Kiwanis Chateau	430 Webb	1988	1,000.0			
		1988	7,000.0			
		1988	11.0			
		1989	31.0			
		1989	15.0	8,057.0		
	307 Vaughan	1987		1,200.0		
Central Health Services	424 Ellice	1992		11.0		
One Canada Centre	447 Portage	1986-1991		30,575.0		
YM-YWCA	301 Vaughan	1984	70.0			
		1990	350.0			
		1990	7,950.0	8,370.0		
Marks & Spencer	350 Portage	1988	37.0			
		1988	1,400.0	1,437.0		
Holt Renfrew	352 Portage	1985	35.0			
		1988	15.0			
		1989	450.0	500.0		
	354 Portage	1988	35.0			
		1988	180.0			
		1989	12.0	227.0		
U of M DOWNTOWN	23 The Promenade	1991		160.0		
Leasing Office	50 The Promenade	1987		37.0		
NPDC	56 The Promenade	1990		39.0		
Tenant Improvements	65 The Promenade	1989	16.0			
		1990	10.0			
		1991	15.0			
		1992	20.0	61.0		
NAJC	404 Webb Place	1992		55.0		
ISM	400 Ellice	1992	300.0			
		1992	565.0	865.0		
Ramada Renaissance	290 Carlton	1992		1,500.0		
Area Total				142,354.4		24.21%

BUILDING ACTIVITY IN THE NORTH PORTAGE AREA: JANUARY 1984 - JUNE 1992

		PERMIT YEAR	PERMIT EST. COST \$ 000s	PERMITS PER PROPERTY \$ 000s	PERMITS PER AREA \$ 000s	% OF TOTAL DOWNTOWN
<u>NPDC FUNDING AND RELOCATIONS</u>						
Ken's Restaurant	333 Ellice	1985		300.0		
Gordon Motor Hotel	330 Kennedy	1988		60.0		
Hull's	372 Graham	1985	40.0			
		1985	410.0	450.0		
Pollock's Beauty School	269 Kennedy	1985		150.0		
	400 Portage	1985		12.0		
Area Total					972.0	0.17%
<u>SOUTH SIDE IMPROVEMENT PROGRAM</u>						
Saan Fantasies	366 Portage	1991		56.0		
Red Apple	370 Portage	1990		28.0		
Storefront	378 Portage	1990		27.0		
Boyd Building	388 Portage	1989		15.0		
Lan's	394 Portage	1991		25.0		
Helene's	422 Portage	1991		15.0		
Anhang Walsh	426 Portage	1992		400.0		
David I Hoffman	434 Portage	1991		54.0		
Oon's Photo	261 Vaughan	1992		40.0		
S.N. King	270 Edmonton	1985		30.0		
Area Total					690.0	0.12%
<u>DIRECT RESULT OF NPDC ACTIVITY</u>						
Eatons	320 Portage	1986	35.0			
		1987	15.0			
		1987	15.0			
		1988	145.0			
		1989	1,295.0			
		1989	60.0			
		1990	140.0	1,709.0		
Newport Centre	330 Portage	1984-1992		1,923.3		
Power Building	428 Portage	1987-1991		382.0		
Pedestrian Walkway	460 Portage	1989		58.0		
The Bay	450 Portage	1986	30.0			
		1987	66.0			
		1987	18.0			
		1990	160.0	274.0		
Catherine Booth	447 Webb	1988	1,500.0			
Bible College		1990	46.0	1,546.0		
Area Total					5,892.3	1.00%

BUILDING ACTIVITY IN THE NORTH PORTAGE AREA: JANUARY 1984 - JUNE 1992

		PERMIT YEAR	PERMIT EST. COST \$ 000s	PERMITS PER PROPERTY \$ 000s	PERMITS PER AREA \$ 000s	% OF TOTAL DOWNTOWN
<u>CONTIGUOUS DEVELOPMENT</u>						
CIBC	333 Portage	1990	19.0			
		1991	83.0	102.0		
Commercial Building	339 Portage	1986	300.0			
		1990	67.0	367.0		
Air Canada	355 Portage	1984-1990		25,558.3		
Royal Bank	382 Portage	1992		75.0		
Boyd Building	388 Portage	1985	57.0			
		1986	10.0			
		1987	30.0			
		1992	80.0	177.0		
	390 Portage	1984	20.0			
		1987	15.0	35.0		
Mr. Submarine	404 Portage	1967		45.0		
Scotiabank	410 Portage	1987	25.0			
		1988	30.0	55.0		
Mall Centre	491 Portage	1984-1992		1,335.0		
	499 Portage	1985		10.0		
	465 Portage	1988		25.0		
Colony Square	500 Portage	1984-1992		45.0		
	480 Portage	1985		10.0		
Relax Plaza	360 Colony	1985	150.0			
		1985	472.0			
		1985	3,178.0			
		1986	400.0	4,200.0		
Eaton Place	234 Donald	1964-1992		4,425.0		
Pv. 5	380 Graham	1985	150.0			
		1996	250.0			
		1986	500.0			
		1991	18.0	918.0		
Medical Office	390 Graham	1988		16.0		
Medical Office	394 Graham	1985		12.0		
Commerical Building	414 Graham	1985	11.0			
		1985	14.0			
		1985	18.0			
		1989	13.5	56.5		
Commercial Building	419 Graham	1987	55.0			
		1990	36.0	61.0		
Dayton Building (Times)	301 Hargrave	1994	90.0			
		1987	40.0	130.0		
Dayton Building	323 Portage	1989		135.0		
Area Total					38,210.8	6.50%

BUILDING ACTIVITY IN THE NORTH PORTAGE AREA: JANUARY 1984 - JUNE 1992

		PERMIT YEAR	PERMIT EST. COST \$ 000s	PERMITS PER PROPERTY \$ 000s	PERMITS PER AREA \$ 000s	% OF TOTAL DOWNTOWN
<u>CENTRAL PARK/NORTH OF ELLICE</u>						
Apartment	350 Quappelle	1990		38.5		
Warwick Apartments	366 Quappelle	1985	36.0			
		1986	350.0			
		1986	1,777.0	2,163.0		
Edohei	355 Ellice	1987	15.0			
		1988	12.0	27.0		
Quality Inn	367 Ellice	1987	50.0			
		1988	15.0			
		1988	10.0			
		1989	90.0			
		1991	19.0	184.0		
Firestone	405 Ellice	1984		10.0		
Centre for Biodiagnostics	435 Ellice	1984	490.0			
		1984	2,000.0			
		1985	15,000.0			
		1987	12.0	17,502.0		
McDonald Building	344 Edmonton	1990		102.0		
Learning Centre	370 Edmonton	1987		150.0		
Parkview Place	374 Edmonton	1985	85.0			
		1986	500.0			
		1986	915.0	1,500.0		
Knox Church	403 Edmonton	1991		80.0		
Knox Church Day Care	406 Edmonton	1986	125.0			
		1987	750.1			
		1987	625.0	1,500.1		
Apartment Building	420 Edmonton	1991		350.0		
Central Park Lodge	440 Edmonton	1984	20.0			
		1986	20.0			
		1991	26.0			
		1992	34.0	100.0		
Glen Tinley Design	454 Edmonton	1986		121.0		
Parkade Structure	485 Edmonton	1990	67.0			
		1991	33.9	100.9		
W.R.H. Daycare Centre	355 Kennedy	1987		14.0		
Apartments (Fire Damage)	375 Kennedy	1985		50.0		
Cadillac Apartments	388 Kennedy	1987		1,300.0		
Kirby Terrace	393 Kennedy	1985	120.0			
		1986	700.0			
		1986	1,680.0			
		1990	1,250.0	3,750.0		

BUILDING ACTIVITY IN THE NORTH PORTAGE AREA: JANUARY 1984 - JUNE 1992

		PERMIT YEAR	PERMIT EST. COST \$ 000s	PERMITS PER PROPERTY \$ 000s	PERMITS PER AREA \$ 000s	% OF TOTAL DOWNTOWN
Central Park Housing Co-op	401 Kennedy	1985	95.0			
		1985	2,191.0	2,286.0		
Apartments	461 Kennedy	1984		140.0		
Apartments	469 Kennedy	1984		700.0		
Apartments	435 Sargent	1984		1,645.0		
Sister Macnamara School	460 Sargent	1988	200.0			
		1988	760.0			
		1989	1,665.0	2,625.0		
Commercial Conversion	344 Cumberland	1987	1,300.0			
		1987	45.5	1,345.5		
Commercial Building	352 Cumberland	1987		15.0		
Residential/Commercial	360 Cumberland	1985	13.0			
		1987	200.0	213.0		
Apartment	411 Cumberland	1986		22.0		
Apartment	461 Cumberland	1985		2,735.0		
Area Total					40,769.0	6.93%
Total of All Areas					228,888.5	36.93%
Total Estimated Cost (in \$000) of Downtown Building Activity From Permits Issued January 1984 to June 1992					588,006.9	100.00%

Appendix 3

Distinguishing Between Urban Renewal and Downtown Revitalization

Distinguishing Between Urban Renewal and Downtown Revitalization

Urban Renewal: Implementing a Rational-Technical Model

Roles and Relationships

Public Sector:

- Arms-length to other interests/adversarial
- Master planning
- Federally driven
- Initiator

Private Sector:

- Looking for commercial opportunities
- Adversarial to other interests
- Recipients of subsidies & incentives

Public (Attentive Publics):

- Recipients for top-down model
- Adversarial to other interests
- Organized against public sector initiatives

Policy Objectives

- Renewal from 'urban blight': housing and commercial development
- 'Urban blight' a public sector responsibility
- Goal to reduce poverty, alleviate housing problems, stimulate commercial development

Financing Strategies

- Public sector financing, development incentives & grants
- Capital intensive projects

Role of the Planner

- Professional expert
- Land-use technician
- Apolitical
- Focus on plan-making
- Controlling development
- Regulator

Downtown Revitalization: Negotiated Development, Context-Based, Partnerships

Roles and Relationships

Public Sector:

- Creating 'the conditions' for physical and economic development
- Multiple governmental actors
- Public sector and non-governmental actors

Private Sector:

- Looking for commercial opportunities
- Less adversarial to interests
- Recipients of subsidies & incentives

Public (Attentive Publics):

- 'Communities of interest' / coalition building
- Negotiate with developers
- Degree of influence in policy

Policy Objectives

- Physical and economic revitalization
- Mixed-use development
- Partnerships between public and private sector
- Market-based evaluation criteria

Financing Strategies

- Capital intensive projects
- Reliance on market behaviour
- Incentive packages

Role of the Planner

- Professional expert
- Multiple roles (interdisciplinary): mediator, negotiator, advocate
- Political
- Community entrepreneur
- Facilitating development

Appendix 4

Sample: Letter Requesting an Interview with Key Informant

Dear (Informant),

I am writing to you to request an interview with respect to your involvement with the North Portage project in downtown Winnipeg. I am a City Planning graduate student from the University of Manitoba and I am conducting thesis research on public-private partnerships in downtown revitalization.

Using a case study of North Portage I am examining the characteristics, differences, and modifications in the planning and development process when private and public sector representatives bring their resources and skills together in the revitalization process. Specifically, the research is examining, from each perspective, the role of the North Portage Development Corporation and the role of the private sector in the North Portage project.

The objective of the interview is to ask you, as a practitioner, to reflect upon your experience in the North Portage project as a way of gaining a greater understanding of public-private partnerships. I will be asking you relatively opened-ended questions relating to the different skills and resources the public and private sector brought to the development process, particular instances in the project when the players worked well together, and conversely, less collaboratively, and lastly, for example, what can future public-private partnerships learn from the North Portage development process?

The interview would last approximately one hour. The interview is strictly confidential and names will not be used in any part of the thesis.

I would greatly appreciate it if you were able to share some of your experience and expertise, and help contribute to my research on downtown revitalization. I will call you this week in hopes of arranging a suitable interview date at your convenience.

Yours Sincerely,

Liz Root
Department of City Planning,
Graduate Student
University of Manitoba