The Development of Downtown Winnipeg: Historical Perspectives on Decline and Revitalization

Report No. 3

by Deborah Lyon & Robert Fenton
1984

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THE DEVELOPMENT OF DOWNTOWN WINNIPEG: HISTORICAL PERSPECTIVES ON DECLINE AND REVITALIZATION
Report No. 3
Published 1984 by the Institute of Urban Studies, University of Winnipeg
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Note: The cover page and this information page are new replacements, 2015.

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Deborah Lyon
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Institute of Urban Studies
1984
Lyon, Deborah M.

The development of downtown Winnipeg

(Report; no. 3)

Bibliography: - p.

ISBN: 0-920634-92-0


HT178.C22w52 1984 307'.342'0971274 C84-091506-3

This publication was partially supported by the Canada Mortgage and Housing Corporation, but the views expressed are the personal views of the authors and the Corporation accepts no responsibility for them.
Preface

This report examines the ancestry of some of the current major policy concerns relating to Winnipeg's downtown area. These policy concerns are among the foci of the Core Area Initiative (CAI) program presently in operation in Winnipeg. The CAI is an attempt by the federal, provincial and municipal governments to revitalize Winnipeg's Core Area through a five-year public expenditure program totalling $96 million.

The report traces the development of housing/residential issues; central business district (CBD) issues — retail, commercial and industrial; and urban and municipal planning issues. The impact of various historic forces leading to diffusion of activity throughout an overly large downtown area is examined, as is the dispersion of CBD functions to suburban areas.

The resulting failure of the redevelopment process in the downtown area is seen as a major source of the contemporary problems which stimulated the CAI in the area. The resolution of these contemporary problems requires that the behaviour patterns stimulated by these historic forces be altered to reflect changed times. Until this need for change is widely accepted, it is unlikely that the downtown of Winnipeg will be fully revitalized.
The literature review and research component of this project was assisted financially by a grant from the University of Winnipeg Research and Travel Committee. The Institute of Urban Studies provided assistance for editorial and publication activities. The authors acknowledge these agencies and express thanks to them.

Thanks is also due to the Secretarial Services group of the Faculty of Arts & Science for their assistance in word processing. Particular mention of Karen Bruchanski is appropriate.

The authors remain responsible for errors and shortcomings. The topic addressed in this paper will be the subject of further consideration on our part. We welcome comments, suggestions and additional insights.

Robert Fenton
Deborah Lyon
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I. INTRODUCTION

I.1 THE HEART OF THE MATTER

A vibrant city contains an active heart; locally known as the "central core", "downtown", "inner city" or "central business district". The terminology is imprecise and in a particular location several terms may be used for different portions of this heartland. For instance, in Winnipeg the core area is a large area of early settlement, while the downtown is a subsection of the core area and the central business district (CBD) is a smaller area of the downtown.

The imprecise terminology can create some confusion but, essentially, the CBD will contain CBD functions: major retail, office, commercial and institutional space generally in the highest buildings with greatest development density. Downtown areas will be in proximity to the CBD but may contain lower density, older developments including downtown neighbourhoods.

Downtown areas are a major element in the identity of the city — both for local observers and for persons in distant areas. The downtown normally contains concentrations of buildings of regional and national significance as opposed to the concentration of neighbourhood facilities in other areas.
The urban development process frequently results in the downtown being located in the oldest part of the city. This generally occurs at the geographic centre of an idealized circular layout.

However, transitional forces may result in the relocation of CBD activities from one part of the city to another. Indeed, these forces may result in the CBD leaving the downtown altogether. This type of transition will cause dislocation and concern for a portion of the population. The concern will be particularly great for those persons least able to adapt to change.

The transitional forces could be created by a change in economic function of the city, a change in the nature of one of the major CBD functions or a change in the pattern of land prices caused by external factors. The nature of the transition will be influenced by the source of the change impetus.

In general, a relatively rapid transition can be completed without major harm being done to the health of the city. This is particularly the case where there exists pressure for redevelopment of the former downtown to a successor function. The redevelopment process then assists the avoidance of a blighted state with derelict buildings and deteriorating public facilities.

A severe problem will occur if the CBD functions become
fragmented and no particular area can be identified as the heart of the city. In this case, the transition process may be truncated and incomplete, or at least severely delayed. The result will be a pervasive feeling of decay. Uncertainty and incompatible adjacent land uses will further exacerbate the problem as investment is delayed or made less productive.

Winnipeg's downtown is an example of the type of problem that occurs when the CBD functions become fragmented and an incomplete transition occurs. During the last 25 years, the focus of investment has shifted from the downtown to suburban areas — unfortunately not to a particular area, which might have created a new focus, but to the general suburban fringe encircling pre-Unicity Winnipeg.

During this period, the population of the inner city fell by approximately 21 per cent at the same time that the population of the metropolitan area rose by about 22 per cent. Residential expansion, then, was occurring in the suburban areas and many CBD functions shifted to the suburbs as a result. Retail expansion occurred in the form of major suburban shopping malls. Commercial-institutional facilities also shifted to suburban locations to be adjacent to the new population concentrations.

The level of deterioration in Winnipeg's core area had reached such a state by 1980-81 that the federal, provincial and municipal
governments created a Core Area Initiative program to attempt to
revitalize the core area. The program is to inject $96 million into
the core area in an effort to stimulate additional private and
public sector investment. The focus of the activity is to
rehabilitate and renew aging public and private facilities and to
attract major new facilities to the core area. Many of the latter
would be diverted to the core area from suburban locations.

The factors underlying the dissipation of Winnipeg's downtown
are fundamental forces which have influenced the city's development
over the past 125 years. Three major factors can be identified in
this context: the diffusion of economic activity over a broad
region; dispersion of CBD activity over too large a core area; and
failure of the redevelopment process in the downtown.

This report examines these three factors in an historical
perspective. The points of reference for the review are three major
concerns of the CAI program: housing and residential development;
CBD activities; and urban and municipal planning. The objective of
the paper is to provide insight into the problem of establishing a
vital central core for Winnipeg.

I.2 HISTORICAL OVERVIEW OF WINNIPEG'S DEVELOPMENT

An historical overview of Winnipeg's development reveals a
century of extremely turbulent activity. The impact of boom, bust,
civil strife and flood are all apparent in the pattern of development.

For the purposes of this report, the historical record has been divided into several convenient periods: origins; pre-Confederation to 1870; early post-Confederation, 1870-96; pre-World War I, 1897-1914; wars and depression, 1915-45; and the post-War period, 1946-84. The important element of the partitioning process is the recognition that the periods prior to 1914 were substantially different from those after 1914.

Prior to 1914, Winnipeg, and the other Red River communities adjacent to the city's boundaries, served as the primary gateway to a hinterland which was transformed from an unsettled remote territory into an integral part of Canada. During the period required to substantially settle this area (approximately 40 years), Winnipeg ascended to the peak of its power and influence.

In the periods since 1914, the impetus provided by the task of settling the hinterland has been removed, reducing the development impetus in the city. At the same time, Winnipeg has faced the rise of other regional and gateway centres which have reduced the size of the hinterland served by the city. These two factors have substantially altered the nature of development pressure since 1914.

The task of managing the diverse influences of these two eras
in Winnipeg's history continues to the present time. An understanding of the constraints and opportunities provided by this task facilitates comprehension of the policies required for downtown development in Winnipeg.

This section provides a synopsis of development patterns in each of the six periods identified above. Pervasive and common patterns of development are traced to focus current policy discussion.

Origins

Long before the arrival of permanent settlers, the site that was eventually called Winnipeg had become a well-used meeting and resting place for native peoples and, subsequently, European explorers and traders.

They were drawn by one of the area's natural features — the junction of the Red and Assiniboine rivers known as the Forks. This was the hub of the water transport routes to the Pembina country in the south, the plains to the west, and Lake Winnipeg and its adjoining river systems which offered access to the east and north.

A fort built in 1738 by one of the La Vérendrye expeditions became the first in a series of such establishments erected at the confluence of the two rivers by French and American traders and by
the rival North West and Hudson's Bay companies.

The Forks, then, was the area's first central business district. It was initially a place for commerce but, over time, it also developed as a social and administrative centre for settlements which stretched along the banks of the Red, Assiniboine and Seine rivers.

The 1812 arrival of Scottish and Irish settlers under the auspices of Lord Selkirk marked the start of the first permanent European settlement.

Their new home lay near the point of transition between the Precambrian Shield, which impeded communication with the communities of the East, and the vast central plains of North America. The generally flat prairie land on which they established their farms was a remnant of a glacial lake that stretched for more than 100 kilometres to the west. This flatness contributed to surface drainage problems which, in turn, were to affect the subsequent directions of development. Areas in the northwest and southwest of what later was to be Winnipeg were particularly subject to poor drainage, but so too were areas in the east and southeast.¹

The location was also subject to periodic flooding, notably in 1826 and 1950, but also in 1852, 1882, 1892, 1904, 1916 and 1948.² It was not until 1968 that a diversion canal was opened to afford a
major level of protection for properties in the immediate area of Winnipeg.

The rivers helped direct settlement patterns in other ways as well — for example, the Red River's width and winding course was a barrier to eastern development, while all three rivers made necessary bridge construction which, in turn, affected transportation and the direction of development.

The first colonists occupied river lots in and to the north of Point Douglas. The northward tendency may have been encouraged by the fact that the Red River flowed in this direction and was a more easily navigated waterway than the Assiniboine.\(^3\) In addition, the area was about two kilometres north of the North West Company's Fort Gibraltar built in 1810 on the north bank of the Assiniboine at the confluence with the Red.\(^4\) The North West Company amalgamated with the Hudson's Bay Company (HBC) in 1821, ending a bitter rivalry that had threatened the long-term well-being of the Red River Settlement and its agricultural orientation.

By 1835 an extensive 'T-shaped' area of settlement had evolved north and south of the Forks along the banks of the Red River, west of the Forks along the Assiniboine and eastward from the Red along the route of the Seine River. The settlement was essentially rural in nature and, as shown in Map 1, had a tendency for clustering according to ethnic origin and cultural group.
MAP 1. Red River Settlement, ca. 1835.

The Pre-Confederation Period

During the period up to 1870, a main feature of activity in the Red River Settlement was the concerted effort to break the commercial and political monopoly of the HBC. The 'free' merchants congregated in the vicinity of the present intersection of Portage and Main about one kilometre north of Upper Fort Garry operated by the HBC at the Forks.

This pattern of commercial competition between the two groups was to continue in future periods. After the HBC's trade monopoly was broken and its administrative control of the region was relinquished, the competition focussed on land development and sales — a focus which was to significantly affect the directions of development in the new City of Winnipeg.

The Early Post-Confederation Period

This period essentially divides into an 1870-80 period and an 1880-96 period. The event creating the division between the two subperiods was the land boom associated with the arrival of the Canadian Pacific Railway (CPR) in 1881.

During the 1870s, Winnipeg was incorporated as a city and continued to develop at a substantial rate. By the close of the decade, the city's economic base had diversified substantially.
Furs remained an important component of trade until at least 1875; agricultural activity took on an export orientation with the first shipment of wheat outside of the province in 1879; steamboat traffic had increased in volume and regularity, enabling Winnipeg merchants to begin acting as wholesalers to retail outlets in the city and new hamlets springing up on the Prairies; in 1878 an all-railway transport route between St. Boniface on the east side of the Red River and St. Paul, Minnesota began operation, facilitating the movement of people and goods. A private bank was opened in 1872, followed by branches of eastern banks — the Ontario Bank (1875) and Bank of Montreal (1877). These three features — wholesale trade, railroads and banking — were to have a profound influence on the future development of the city.

The arrival of the CPR in 1881 had three major impacts on the nature and scope of commercial development in Winnipeg. The first was the short-term economic stimulus offered by the construction activity associated with CPR facilities in and around the city. The second was the longer-term employment, industrial and business expansion offered by the CPR's own operations as well as the activities of firms and individuals attracted to Winnipeg or using their existing base in the city to embark on new initiatives. Concurrently, the city became somewhat tied to the economic cycles of the railway business. The third major impact was the opportunity presented by Winnipeg's early role as a railway centre to become a regional centre as well. The city's wholesaling and distribution
activities expanded greatly as the plains were settled and as Winnipeg gained certain freight rate advantages. The city's entrepreneurs were also able to wrest control over the grain trade from eastern merchants and to attract associated financial, agricultural implement and other commercial enterprises to the city.

Winnipeg's population more than doubled during the frenzy of the 16-month land boom which accompanied the arrival of the railroad. The population of the city proper topped 20,000.\(^5\)

The combination of skyrocketing land prices and population growth reinforced the already strong tendency for urban sprawl—a tendency which became a re-occurring feature of Winnipeg's development history.

The passing of the rail-head to the west led to an inevitable sharp decline in economic activity with accompanying disruption. Bankruptcies, abandoned projects and mistimed investments were prevalent. This type of impact was again to occur after a 1901-11 boom.

Throughout the 1870-96 period, the competition between the HBC and the free merchants continued—a competition to attract purchasers of the extensive landholdings they both possessed. Each group attempted to lure appropriate developments which would raise the value of their remaining landholdings. The real coup for the
free merchants was their successful bid to lure the CPR main line first away from Selkirk to Winnipeg and then to a route through Point Douglas rather than through HBC reserve land at the Forks.\(^6\)

In summary, by 1896 Winnipeg had been transformed from a village to an urban centre. Technological, economic, transportation and other developments had positioned the city to take advantage of the coming rapid expansion of western Canada.

The Pre-World War I Period

This era was marked by rapid social and economic change in western Canada as European and, to a lesser extent, American and eastern Canadian settlers took up homesteads in Manitoba and what became the provinces of Saskatchewan and Alberta. Winnipeg, poised on the edge of this vast area of new settlement and the only major urban centre in the region, became a conduit, interceptor and source of the flow of people, goods and services to the plains.

The city's own population again mushroomed — increasing by some 221 per cent between 1901 and 1911 from 42,340 to 136,035. Winnipeg's role as the headquarters of western agriculture and finance was confirmed as was its place as a major railway centre for both Canadian and American lines. Its economic base not only expanded but also further diversified, especially as manufacturing grew in importance.
Most crucial, in the context of this report, were the major changes which occurred in the physical appearance and shape of the city. Firstly, urban growth started to become a suburban phenomenon mostly because new residential development shifted from areas in and around the downtown to more outlying sites. Some of these were contiguous to the built-up area but, as indicated on Map 2, others were not.

A second feature of the period was the dramatic alteration in both the profile and shape of the downtown commercial district. Land was redeveloped for perhaps a third or fourth time as multi-storey office buildings began to cram the Portage and Main area — buildings that would dominate the city's skyline until the mid 1960s. In addition, the retail sector began a westward march along Portage Avenue — a move that signalled a gradual decline in Main Street's role in the central business district. Only recently have attempts to halt or reverse this decline reflected some success.

Thirdly, by the end of this period, the functional areas of the city essentially were set. Much of the subsequent expansion of development tended to be an elaboration of these basic patterns. By the end of this period, the central core no longer was synonymous with the city; rather, the core had become just one
MAP 2. Spatial Growth in Winnipeg Area, 1872-1914.

component of a more diverse and dispersed urban structure. While the focus of commercial development and redevelopment remained on the downtown, residential development had started to become a suburban phenomenon. Commercial pressures on downtown land, the filling up of space in the central core, annexation of large areas of land, speculative subdivision, improved means of transportation, some dispersal of industrial activity, larger suburban lots, cheaper suburban taxes — these and other factors conspired jointly to pull or push Winnipeg's greatly increased population to the city's boundaries and beyond to the adjacent municipalities. In one sense, the old Red River parishes of the pre-Confederation era were being physically joined in an urban structure.

The Wars and Depression

In this first period following the great boom, Winnipeg suffered the shocks of the two world wars and a world-wide depression. At the same time the city, which had reached the apogee of its power by 1912, had to contend with fundamental changes in its regional status. As mentioned above, the hinterland began to establish a degree of independence from Winnipeg after 1914.

In general, the 1915-45 period was one where the processes, and thus the management of change were different than in the pre-1914 era. The latter was an expansionary time when growth could be based on the ability to fill an economic and/or geographic vacuum in the
West, in the Winnipeg region, or within the city itself. Similarly, funds were available to drive urban redevelopment — old buildings in the downtown, for example, became expendable as firms found the capital to erect more suitable architectural statements to announce and accommodate their financial success.

While there were periods of expansion and new development during 1915-45, these years were marked by consolidation, restrictions and losses. Problems could no longer be glossed over by achievements elsewhere; yet, at the same time, funds were not available to address the negative consequences of past political, economic and/or locational decisions.

In physical terms, Winnipeg's patterns of settlement remained essentially those established prior to 1914. Some important changes were made to the city's stock of buildings and municipal facilities. However, much rehabilitation and renewal went undone especially during the 1930s. As a result, the city emerged from the Second World War with a considerable portion of its buildings and facilities marked by deterioration. In the immediate post-war period, the combined forces of pent-up consumer demand, the release of war savings and an increase in the pace of population growth were expressed in substantial suburban expansion rather than in renewal of the older, deteriorated City of Winnipeg.

The post-war expansion chose a path of least resistance and
filled the vacuum in the suburbs. This path was the alternative to utilizing infill and urban renewal or to utilizing the significant amount of vacant land which at the time was available for development within Winnipeg itself.

One of the more long-term influences on the Winnipeg area's future development was the large amount of land forfeited to municipal governments through tax arrears seizures. By the end of 1945, an almost solid ring of such property, equivalent to 87 per cent of the developed area in the metropolitan region, surrounded the developed area. 8

The Post-War Period

The first two decades of the post-war period are generally characterized as a period of relative economic stability compared to the vagaries of the previous three or four decades. There were fluctuations associated with the Korean War; some periods of recession and some periods of economic expansion and prosperity. Winnipeg also suffered losses and dislocations with a major flood in 1950; moreover, substantial public funds were committed in subsequent years to flood control facilities, including some $59 million allocated to the Winnipeg floodway constructed between 1962 and 1968. 9

The latter 1960s to the present have seen more unsettled
economic times reflecting a variety of international and national developments. Inflation, recession, détente and failure of détente, and petroleum developments dominated the international scene; while constitutional reform, the need to overcome regional economic disparities and repercussions from the international situation dominated the national scene.

Throughout this period, trends and patterns established in previous decades continued to dominate Winnipeg's development. Population expansion and development increasingly occurred in the suburban municipalities rather than in the City of Winnipeg proper. In fact, the population of pre-Unicity Winnipeg has consistently declined since 1961.

During the 1960s, municipal planning became a major industry in Winnipeg as the Metropolitan Corporation of Greater Winnipeg attempted to formulate an official development plan. Many studies were undertaken that contained proposed alternatives to resolve the problems faced by the downtown. Many of these proposals were based on projections which, while not forecasting the return of a boom like that of 1901-1911, presumed substantial growth of the entire metropolitan area. It was assumed this growth would create pressure for redevelopment in the downtown and serve to attract the capital required for the redevelopment. Unfortunately, the required growth did not occur.
Two features of the post-war period have been the initiation of intergovernmental urban renewal activities in various forms and the formation of the Unicity council which created a single political, planning and administrative jurisdiction for the entire metropolitan region.

The latter feature could have provided the vehicle for strong efforts to halt the decline of the downtown area. To date this has not occurred.

The former feature has resulted in the present Core Area Initiative (CAI) program. This initiative has implemented a number of programs which have been mooted for several years in various planning studies. One of the more significant of these is the formation of public sector development corporations to overcome numerous impediments to redevelopment which have confronted private sector developers. The goal is to attract a pool of capital to the downtown for redevelopment purposes.

The CAI is, in part, a response to the failure of the Unicity council to adequately address the problem of downtown decline. The present council continues in this tradition and is currently locked in debate with the provincial government on proposals to include strict limits to suburban growth in Plan Winnipeg, the new official development plan.
Notes

Abbreviation used in the footnotes:
MPC/WTPC - Metropolitan Planning Committee and Winnipeg Town Planning Commission

1. MPC/WTPC, Background for Planning Greater Winnipeg (Winnipeg: The authors, 1946), 43, 51-54.


3. MPC/WTPC, Background for Planning Greater Winnipeg, 61.


8. MPC/WTPC, Background for Planning Greater Winnipeg, 67-70.

9. City of Winnipeg, Department of Environmental Planning, "Winnipeg Historic Review," Information Winnipeg (1979?).

10. Winnipeg Core Area Initiative Policy Committee, Proposed Winnipeg Core Area Initiative (Winnipeg: The authors, June 1981).

II. HOUSING AND RESIDENTIAL ISSUES

The pattern of residential development in Winnipeg has both influenced and been influenced by downtown development — in both cases, the influence has been extensive.

At the earliest stages of development, residential and 'downtown' development were intermixed. As development progressed, the separation of downtown and residential land uses was perceived to be a favourable feature of urban growth — a philosophy that only in recent years has been called into question.

Two elements of residential development of interest in this context are urban sprawl and residential deterioration and renewal. These elements have played a prominent role in the interaction between residential and downtown development throughout Winnipeg's history.

Urban sprawl has removed an essential element of downtown vitality by dispersing population concentration away from the centre of the city. The dispersal of the population has contributed to the development of community affinities which replace attraction to the downtown. This impact has been reinforced by competitive pressures aimed at making each residential community self-sufficient in order that market loyalties can be encouraged.
Residential deterioration has occurred in the downtown for various reasons. The source of deterioration has differed depending on the period in question. Introduction of incompatible land uses; inadequate construction and maintenance; high densities as 'temporary' remedies to boom period housing shortages have all been significant factors.

Residential deterioration in the downtown has accelerated suburban sprawl by creating a demand for housing in areas distant from the problems of downtown. At the same time, suburban sprawl has accelerated residential deterioration by providing an easy route by which the mobile portions of the community may escape the problems of deteriorating downtown areas, thus removing a potentially valuable resource for solving these problems.

In addition, suburban sprawl, by reducing the demand for downtown housing, removed the pressure for early redevelopment of deteriorating residences. Thus the level of deterioration continued to increase until major area-wide redevelopment initiatives were required.

The balance of the chapter considers urban sprawl and residential deterioration and renewal in turn. The discussion demonstrates that both of these influences have been endemic in Winnipeg from the earliest stages of its development.
II.1 LAND DEVELOPERS AND URBAN SPRAWL

Winnipeg's future development was shaped from the earliest days of settlement by the pattern of rural farm land distribution. While this impact is common to many Canadian cities, its significance was increased in Winnipeg's case because of the river-oriented system of land division used by the Selkirk settlers and their successors.

Their farm lots were bounded by two parallel lines which ran at right angles from the Red and Assiniboine rivers for 3.2 kilometres outward to the prairie. Another 3.2 kilometres beyond this constituted 'hay privilege'. The most valuable lots had the largest frontage on the river, such frontage running from three to 10 chains (about 60 to 200 metres). Because of the difficulties in applying the river lot system to Point Douglas, a piece of land which juts out into the Red River, it initially was a common haying and grazing area; but between 1827 and 1870, it was subdivided into abutting lots owned by several persons. This feature later became significant in the battle to locate the transcontinental railway in Winnipeg.1

The system of land allocation had several repercussions for future patterns of settlement. The most apparent one today is the street system in the central business district (CBD) which generally follows, from Notre Dame northward and from Colony Street westward, the lot lines of the early farms. The triangular-shaped area
in-between was retained as a reserve by the Hudson's Bay Company (HBC) which applied a grid system with a slightly different orientation to its official surveys of the reserve.²

A second outcome was the tendency of the Red River Settlement to be widely dispersed as it stretched along river lots fronting on both the Red and Assiniboine. Eventually, the arms of the settlement stretched outwards for 80 kilometres yet not back more than three to six kilometres from the river banks.³

This dispersal contributed to a third factor — the imposition of several church parishes over the river lot system. By the formation of the Province of Manitoba in 1870, there were 20 such divisions whose names and boundaries affected the later establishment of political entities such as municipalities and electoral districts.⁴

Land ownership also helped to determine the early directions and nature of settlement. The HBC, under the terms of its 1670 charter from Charles II, claimed exclusive possession of all territories drained by rivers flowing into Hudson Bay. The portion of this land obtained by Lord Selkirk for his settlement reverted to the company in 1835. In addition, the company had provided lots to several groups which had been encouraged to settle near Upper Fort Garry and had retained a reserve of land to the north and west of the fort.
According to Hargrave, deeds were registered by the HBC at the fort. This registration was recognized as valid title even without the production of a deed. However, over time, floods and other occurrences had obliterated original landmarks; deed holders had died and their properties were subdivided among offspring and/or sold without fresh registration; and squatters had appeared. The results were disorderly development and confusion over land tenure (which became increasingly important as population and economic activity grew and land prices increased).\(^5\)

In later years, settlement and land subdivision were influenced by the 'vacant lands question' — in particular, the speculative activity which centred on land grants to members of the Wolseley expedition, native and country-born scrip claims, hay privilege areas, and the Hudson's Bay and railway reserves.\(^6\)

Lots in the vicinity of the present corner of Portage and Main gained significance in the pre-Confederation era of Winnipeg's development. River lot #249, the southern boundary of which coincided with what became Notre Dame East (now Pioneer), was owned by the HBC. This lot represented the northern boundary of reserve lands retained by the HBC around the Forks.

The adjoining lot #248, between what is now Portage Avenue East and McDermot, was owned by Andrew McDermot, who had come to the Red
River Settlement in 1812. His son-in-law, A.G.B. Bannatyne, had obtained the James Sinclair holding (lot #247) bounded on the north by what became Market Avenue. Further north again were the holdings of Alexander Ross and Robert Logan, both of whom arrived in the settlement in 1825. These river lots, which extended west approximately to present-day Arlington Street, became the core of the new commercial district following Winnipeg's incorporation as a city in 1873.7

As a first step to that event, these landholdings were used to begin to challenge the commercial monopoly held by the HBC in the settlement. In turn, this challenge was linked to the expansion of American settlement in Minnesota and the development of trade between there and the Red River colony. By 1849, the HBC's monopoly was broken.8 Both McDermot and Bannatyne had established independent trading and retail stores on their properties by 1851. Within a decade, other businesses followed and the nucleus of a hamlet had formed between the Main Road and the Red River, about one kilometre north of Upper Fort Garry.

The competition between the free merchants of the hamlet of Winnipeg and the HBC at the Forks set the tone of urban development for much of the next half-century. Competing land owners wooed various institutions and land users to their property in an attempt to raise the value of the remainder of their tract of land. This behaviour continued and magnified the already significant tendency
II.1.1 The 1870-1896 Period

The post-Confederation era from 1870-1896 witnessed a continuation and stimulation of this tendency as HBC lands were transferred to the Crown, Winnipeg was incorporated as a city and the railroads arrived in the 1870s and 1880s.

The 1870s

In the early 1870s, the competition between the HBC and the major land owners of Winnipeg intensified. With the incorporation of the City of Winnipeg in 1873, an element of town planning was introduced in the areas where individual land owners had previously been able to subdivide at will.

During this period, surveying of streets began and, as evident by Map 3, river lots such as those assigned to McDermot, Bannatyne, the Ross family and Alexander Logan were being subdivided. Indeed, there was a modest increase in real estate activity between 1871 and 1873. McWilliams, for example, recorded that lots on the McDermot estate which sold for $50 in 1872 were going for $400 by 1873-74.9

Point Douglas developed as the prime or exclusive residential area during this decade, containing the homes of James H. Ashdown,
MAP 3. Plan of Winnipeg and Vicinity, 1874.

W.G. Fonseca, Robert and Stewart Mulvey, Dr. John C. Schultz and other community leaders. Indeed, the Ashdowns' brick-veneer home on Euclid, containing a bathroom and a furnace, was considered an innovation in house construction in Winnipeg at the time.\(^{10}\)

Other notables, such as Bannatyne, remained in the area east of Main Street. Thomas Scott built 198 Colony Street around 1873;\(^{11}\) Hugh Sutherland also built in the Colony Creek area near what is now Maryland Street. Yet, according to Rostecki, many of these luxurious dwellings did not attract similar development. They remained isolated, or came to lie in a deteriorating social setting as the city underwent rapid development in subsequent years.\(^{12}\)

Indeed, property owners in the Point Douglas Common worked vigorously to have the Canadian Pacific Railway (CPR) main line routed through their property. Their success led to the decline of Point Douglas as a residential area and, more generally, had serious ramifications for patterns of urban development in Winnipeg from the 1880s onward.

Another area of residential development occurred parallel to Notre Dame on streets running westward from Main to perhaps as far as Gertie, and northward perhaps as far as Alexander. As well, there were a great number of boarding houses close to Main Street, especially on Water, Pioneer (then Notre Dame East) and Lombard (Post Office Street). These establishments reflected the need to house a considerable volume of transients. But they also were
precursors to the problem Winnipeg would face in the following years in providing housing for a growing population, and the implications this would have on residential patterns of development.

A third area of residential development was planned on the HBC reserve. This land was part of the 1869 agreement by which the company transferred its territory to the Canadian government in return for monetary payments and land. In the Winnipeg area, the company retained a total of about 708 hectares of land as part of this settlement. This included 202 hectares in the vicinity of Upper Fort Garry, bounded by the Red and Assiniboine rivers, Colony Creek and Notre Dame Avenue. The subdivision and development of this reserve, coupled with the HBC's efforts to compete with Winnipeg in establishing the focus of the central business district, were major irritants between the HBC and the other major Winnipeg land owners in the 1870s and 1880s (see Map 4).

In an interesting early example of town planning, the company set out to control development in its reserve with the goal of establishing an attractive and exclusive residential district.\textsuperscript{13} This was in sharp contrast to the general context of unplanned development occurring in Winnipeg at the time.

To control the quality of development, the HBC subdivided its reserve generally into lots which were 15.2 x 36.6 metres with 6.1 metre lanes. In contrast, lots to the north of Notre Dame were 20 x
MAP 4. Hudson's Bay Reserve, 1872.

SOURCE: Manitoba Archives, Map Collection, Neg. No. N6303, Catalogue No. 614.41, gbbe 1872 V.
30.2 metres with no lanes; many of these were subsequently subdivided to 10 x 30.2 metres. The company also put minimum values on the buildings that could be erected on Main (then called Garry) Street and the reserve's side streets. Further, lots were to be sold by public auction with reservations as to acceptable prices. One-fifth of the purchase price was to be paid with the completion of an agreement; the rest, in four equal annual instalments at seven per cent interest.

The first auction was held in July 1872; the second in August 1874. Both sales (involving a total of some 135 lots) resulted in a significant number of defaults; thus, the land returned to the HBC. During the second auction, only 50 of the 150-200 lots available were sold, reflecting some difficulties in the economy at the time. Individual lots subsequently were sold as demand warranted and, during a land boom in 1881-1882, a significant portion of the reserve changed hands. Nearly 1100 lots sold with prices peaking at $8,576 per lot (in contrast to an average of $802 by September 1880). However, in the ensuing collapse of the boom, the HBC again had land returned to it in default. Sales did not revive until 1887 and prices were below those paid during the heady days of the boom.

Nonetheless, by the mid 1880s a substantial portion of the reserve was in the hands of other property owners — indeed, the area south of York Avenue eventually became a 'millionaires'
quarter'; and generally the reserve was occupied by both substantial buildings and inhabitants.

Among other competitive projects attempted by the HBC to encourage development on its land was the construction of two bridges in 1881-82 in the Forks area. One crossed the Assiniboine at Main Street, which not only assisted development of the HBC reserve but also encouraged the annexation and development of Fort Rouge. The second bridge extended over the Red River, connecting Broadway with Provencher Boulevard in St. Boniface. This direct connection with Broadway was closed in the early 1900s with the development of the HBC flats for railway use (including construction of the Union Station on Main at the foot of Broadway).

The CPR Boom

The arrival of the CPR transcontinental main line in 1881 had a profound influence on the city. One of the more immediate effects was a land boom which began with a quickening of local economic activity in 1880 and flared into a frenzy during about a 16-month period in 1881-82, affecting not only Winnipeg but sales of land throughout Manitoba and the West.

Winnipeg's population more than doubled during the boom to top 20,000 persons. While contractors were very busy during the boom — 700 new buildings were constructed during 1881 alone — they were
unable to keep up with residential demand. Many of the structures that were built were cheap and flimsy.\textsuperscript{16}

With the arrival of the CPR and various industries in Point Douglas, many of the city's prominent families relocated to other areas. As a result, residential development during the period began to reflect class segregation. The Hudson's Bay reserve became the primary residential district for the professionals and leading business personalities of the time. For example, the Ashdown family built a home at Broadway and Hargrave in 1897-98, the Nicholas Bawlf house was erected at 10 Kennedy in 1897, Sir Hugh John Macdonald built 61 Carlton in 1895, Jerry Robinson purchased 288 Broadway in the 1880s and lived across from the home of Lady Schultz, widow of a former lieutenant-governor.

Many of the buildings in the HBC reserve were substantial single-family homes, but some duplexes and terraces also appeared. These were considered stylish (i.e., they were not the low-cost terraces erected for railway and industrial workers in the Point Douglas area). Rostecki notes that even within the HBC reserve there was a certain class distinction — i.e., the more southerly area, especially close to the Assiniboine River, attracted the more substantial single-family dwellings often of brick or brick-veneer construction. The more northerly sections, however, tended to have more multiple-family and frame residences.\textsuperscript{17}
Another area that began to take on first-class stature was Fort Rouge, especially River and Stradbrook avenues. Early residential construction occurred there in the latter 1870s and early 1880s; but improved transportation and river crossings were required before larger-scale development began in the 1890s.\(^\text{18}\)

Armstrong's Point, which juts out into the Assiniboine River just east of Sherbrook Street, was another attractive and exclusive residential area to begin development during this period. The Point, which was part of a farm in the years prior to 1880, was purchased for $28,000 by John McDonald and E. Rothwell in 1881. The land subsequently was subdivided but development initially was discouraged by the area's relative isolation. Nonetheless, A.G.B. Bannatyne built 'The Castle' on the Point in the early 1880s; Arthur Eden constructed 147 East Gate in 1881; Dr. Daniel McIntyre was the original occupant of 123 Middle Gate built in 1891-93. Most development did not occur in the area until the first two decades of the 1900s, however.\(^\text{19}\) Thompson cites Armstrong's Point as one of the few examples in Winnipeg of exemplary residential development where both landscape and the pedestrian's place were respected.\(^\text{20}\) Residents have long fought to maintain these attributes although the Point increasingly was engulfed by various land uses and experienced internal decline in the period from the 1930s.

Middle-class residential development tended to occur on streets running north of Notre Dame and west of Main. Later in the
1880-1896 period, middle-class housing also was built on streets west of Colony which had been extended to Notre Dame. CPR workers were drawn to the Alexander-Henry area west of Main Street; development also occurred to the north of the CPR tracks and yards, perhaps as far as Alfred. Settlement in the St. John's area was affected by Drewry's brewery.21

As noted earlier, the area east of Main Street deteriorated over time as a residential district, drawing to it lower-income renters. In addition, some shanty-like structures appeared around the CPR yards and tracks.

The advancement of residential construction into more distant areas was accompanied by continuing population expansion. While the pace of growth fell off after the CPR land boom, Winnipeg's population had increased to 25,600 by 1891 and to 42,300 by 1901.

To accommodate this growing population and the expected continued increases, bridge construction across the Red and Assiniboine was accelerated. Four bridges were built in 1881/82 and two more in 1893/94. These six bridges were evenly distributed across the Red and Assiniboine and facilitated expansion of residential areas into St. Boniface and Fort Rouge.
II.1.2 The 1897-1914 Period

The pre-war period from 1897-1914 witnessed a second development boom — one distinctly different from the railroad boom of 1881-82. This boom was more long lived, lasting throughout the first decade of the 20th century. Its cause was the drive to settle the West with European immigrants and migrants from eastern Canada.

During this time, the population of the City of Winnipeg increased by 221 per cent from 42,340 in 1901 to 136,035 in 1917. During the 1901-1906 period alone, the population more than doubled to 90,153. Annexation was not a major factor in this population growth although the city did jump the Red River for the first time in 1906 to acquire Elmwood.

'Suburban' population maintained pace with Winnipeg's growth as the city's share of overall metropolitan population remained constant at 87 percent. The 1901 to 1911 decade was the last decade in which city growth would match or exceed 'suburban' growth.

The patterns of growth between 1901 and 1914 pushed the built-up area to the west, northwest and, to a lesser extent, the south and east — both within and beyond the city's boundaries. Elmwood accounted for some eastern development but expansion also occurred in St. Boniface and St. Vital. St. Boniface, which incorporated as a city in 1908, had an important industrial base,
especially in meat packing and flour milling. Thus, development there was business oriented as well as residential. But much of the other suburban development was residential in nature.

Various factors combined to encourage the 'suburban' movement — among these, improved transportation infrastructure (roads, bridges, streetcar service); lower land values and taxes as compared to Winnipeg; perhaps some shortages of available land within Winnipeg due to real estate being held for speculative gain; perhaps the pull of marketing and other competitive attractions since by 1913, according to Artibise, there were at least 20 subdivisions with land for sale outside of the city's boundaries.

The westward movement to St. James, for example, was facilitated by the absence of rail lines or noxious industries; the area's comparatively reduced flood danger and drainage problems; the jurisdiction's lower taxes and large lots; and planned development in Wood Haven Park, about 2.5 kilometres west of Deer Lodge. In addition, by 1902 the Suburban Rapid Transit Co. was running a service to Headingley; this company was taken over in 1905 by the Winnipeg Electric Railway Co. which operated Winnipeg's streetcar system. Development of Assiniboine Park may also have helped pull settlement to St. James.

In addition to development in St. Boniface, St. James and St. Vital, expanded settlement in Kildonan led in 1914 to formation of
the municipalities of West and East Kildonan (split by the Red River). Railway development gave rise to the Town of Transcona and contributed to establishment of the Village of Brooklands in the northwest.

In 1913, the Town of Tuxedo was incorporated at the request of property owners who invoked several restrictive covenants in order to develop the area as an exclusive residential suburb. However, it was the 1920s before large-scale development occurred in this attempt at a 'garden city' by developer F.L. Olmstead.

The impact of the suburban movement becomes evident by the 1921 census (see Table 1). By then, Winnipeg's share of the region's total population is about 78 per cent, as compared to a level of some 87 per cent in 1901.

Within Winnipeg's own boundaries, residential development also was a significant factor in extending the range of the built-up area. But industrial expansion also had a role: the Canadian Northern's Fort Rouge shops pulled development southward, while CPR expansion pulled development toward the Weston and Brooklands areas.

It was during this pre-war period that residential development accelerated in Armstrong's Point with the arrival of such prominent inhabitants as businessman Thomas Ryan (5 East Gate, 1906),
Table 1
Population of Winnipeg, 1871 to 1981

<table>
<thead>
<tr>
<th>Year</th>
<th>Winnipeg</th>
<th>Metro Area</th>
<th>Year</th>
<th>Winnipeg</th>
<th>Metro Area</th>
<th>Wpg. CMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1871</td>
<td>241</td>
<td>2,949</td>
<td>1931</td>
<td>218,785</td>
<td>294,905</td>
<td>-</td>
</tr>
<tr>
<td>1881</td>
<td>7,985</td>
<td>12,154</td>
<td>1936</td>
<td>215,814</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1886</td>
<td>20,238</td>
<td>-</td>
<td>1941</td>
<td>221,960</td>
<td>302,024</td>
<td>-</td>
</tr>
<tr>
<td>1891</td>
<td>25,639</td>
<td>30,153</td>
<td>1946</td>
<td>229,045</td>
<td>320,484</td>
<td>-</td>
</tr>
<tr>
<td>1901</td>
<td>42,340</td>
<td>48,488</td>
<td>1951</td>
<td>235,710</td>
<td>357,229</td>
<td>-</td>
</tr>
<tr>
<td>1906</td>
<td>90,153</td>
<td>-</td>
<td>1956</td>
<td>255,093</td>
<td>412,741</td>
<td>-</td>
</tr>
<tr>
<td>1911</td>
<td>136,035</td>
<td>156,969</td>
<td>1961</td>
<td>265,986</td>
<td>476,543</td>
<td>-</td>
</tr>
<tr>
<td>1916</td>
<td>163,000</td>
<td>-</td>
<td>1966</td>
<td>257,005</td>
<td>508,759</td>
<td>-</td>
</tr>
<tr>
<td>1921</td>
<td>179,087</td>
<td>229,212</td>
<td>1971</td>
<td>246,270</td>
<td>540,262</td>
<td>549,808</td>
</tr>
<tr>
<td>1926</td>
<td>191,998</td>
<td>-</td>
<td>1976</td>
<td>223,460</td>
<td>-</td>
<td>578,217</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1981</td>
<td>207,851</td>
<td>-</td>
<td>584,842</td>
</tr>
</tbody>
</table>

Notes:
- In addition to population growth or decline, the data reflect Winnipeg's boundary changes and adjustments in census boundaries. For details, consult the sources cited.
- 1976 and 1981 statistics for Winnipeg reflect the boundaries of the old City of Winnipeg prior to Unicity; i.e., census tracts #001 to 52.0.
- Metro area totals include Winnipeg's population.

Sources:
politician Aime Benard (40 East Gate, 1912), financier Robert T. Riley (90 East Gate, 1909), and author/theologian Rev. Charles Gordon (Ralph Connor) (54 West Gate, 1913-14).24

But a new upper-class residential area also opened in Crescentwood across the Assiniboine River from Armstrong's Point. Residential development initially centred in the River-Stradbrook area; however, in 1902, C.H. Enderton and Co. began to subdivide and develop Wellington Crescent and adjacent streets. This became Winnipeg's most well-known and exclusive residential area in part because of Enderton's use of building restrictions and caveat agreements to control the nature of development.

For example, no Crescentwood home could cost less than $3,500 to build. Houses on river frontage were placed on lots 91 metres in depth; their minimum construction cost was set at $10,000. Across Wellington Crescent, lots ranged from 61 to 91 metres in depth and the minimum housing cost was set at $6,000. In comparison, 'average' middle-class homes of the period could be constructed for $2,000 or less.25

The Enderton example was taken up in other areas, including Tuxedo, River Heights, St. John's and Wolseley Avenue.26 The legally binding nature of the caveats provided stronger protection from development deviations than apparently was the case
for restrictions applied by the Hudson's Bay Company in its reserve. Even today, property owners who wish to conduct some transaction with their property must apply to city council to waive the caveat if the proposed transaction does not fully conform to the restrictions set out.

Canadian Northern's Fort Rouge shops discouraged prime residential development from moving southward, pushing it instead westward along the Assiniboine River.

In general, then, upper-class development continued to move in a southward direction — from Point Douglas, to the Hudson's Bay reserve and Armstrong's Point, to Crescentwood, and eventually to River Heights and Tuxedo. North of the Assiniboine River and west along Portage Avenue, considerable middle-class and working-class development occurred; to the north of Notre Dame and of the CPR, there was working class and new immigrant settlement. Residences in Point Douglas continued to decline under the pressure of railway and other industrial development, as did those along Henry, Higgins, Alexander and other streets bordering on the CPR facilities. Indeed, a zone of blight accompanied CPR facilities as far west as Maryland.27 The encroachment of the Midland Railway in the Ross Avenue area contributed to the development of residential decline in what was known as Ward 4.

Railway development affected the pattern of settlement in other
ways as well. Development of the East Yards interrupted direct access between Broadway and Provencher via the Broadway bridge, much to the consternation of St. Boniface residents (Map 5).28 The Fort Rouge yards not only deterred development in South Fort Rouge, but also impeded circulation of traffic to Fort Garry.29

Expansion of the CPR continued and extended the physical barrier between the North End and the remainder of the city, although the Salter Street and Arlington Street bridges had been built, as had an underpass at Main and Higgins. This relative isolation, in addition to its many social consequences, contributed to the rise of the Selkirk Avenue and other local shopping districts in the North End.

By the end of the pre-war period, Winnipeg had indeed become a metropolis by contemporary standards. It was the third largest city in Canada and was characterized by the classic pattern of development — an established central city with a ring of suburban jurisdictions surrounding it.

Some regional planning activities were taking place. The City of Winnipeg set up a planning commission in 1911 with honorary members appointed from St. Vital, Rosser, St. Boniface, Kildonan and Springfield. In addition, the Greater Winnipeg Water District was formed in 1913 by Winnipeg, St. Boniface, Transcona, Assiniboia, Kildonan, Fort Garry and St. Vital. These voluntary
MAP 5. Winnipeg's Downtown Area, 1910.

associations did not, however, lead to a reduction in the suburban sprawl of residential development.

II.1.3 The 1915-1945 Period

During the 1915-45 period, Winnipeg continued to lose some ground to surrounding municipalities. In 1911, some 87 per cent of the region's population resided in the city. By 1921, this proportion had dropped to 78 per cent; by 1946, to 71.5 per cent.

The nature of suburban development changed in this period. The 'sprawl' engendered during the boom periods had leapfrogged in a fashion that permitted suburban infill to occur. Thus the great 'sprawl' of the previous two periods was less evident here.

St. Boniface and St. Vital, and to a lesser extent St. James and the various Kildonans, were recipients of increased populations. Tuxedo Park also was developed extensively during the 1920s to 1940s. A 1930 newspaper advertisement by one of the developers in Tuxedo indicated the exclusive nature of that residential area. Building value restrictions were between $7,500 and $15,000 depending on location. Lots were selling at $25 per square foot.30

Suburban residential development was stimulated by industrial expansion outside of Winnipeg — and outside of St. Boniface which formerly had been the other main industrial centre in the region.
For example, a major malting plant was built in Transcona during the latter 1920s. During the Second World War, a cordite plant employing between 3,400 and 4,200 was established in that town as well. Development of the Stevenson Aerodrome in St. James during the latter 1920s set the locus of many air transport firms. St. James also pursued the development of its own industrial park during the 1940s. In 1934, Canadian Industries Ltd. built an explosives plant in East Selkirk. Industrial developments of these kinds stimulated local residential demand among workers.

II.1.4 The Post War-Period

By the end of the Second World War, the total area of the Metropolitan Winnipeg region was almost 500 Km² of which only about 125 Km² had been subdivided and little more than 63 Km² had been developed. Of these amounts, the City of Winnipeg had about 51 per cent of the urban developed land but only about 38 per cent of the subdivided land. (See Table 2.)

Given that it had more than 70 per cent of the metropolitan-area population, it would seem Winnipeg was more densely settled than the surrounding municipalities. The amount of subdivided land in the metropolitan area, in contrast to that which was developed, clearly indicated where the bulk of the post-Second World War growth would occur, assuming it would choose the path of least resistance and fill the vacuum in the suburbs rather than
<table>
<thead>
<tr>
<th></th>
<th>Metro</th>
<th>Winnipeg</th>
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<tbody>
<tr>
<td>Total Area (Km²)</td>
<td>499.7</td>
<td>62.0</td>
</tr>
<tr>
<td>Urban Developed</td>
<td>63.3</td>
<td>32.4</td>
</tr>
<tr>
<td>Subdivided</td>
<td>124.5</td>
<td>47.2</td>
</tr>
</tbody>
</table>

Source: Metropolitan Planning Committee and Winnipeg Town Planning Commission, Background for Planning Greater Winnipeg (Winnipeg: The authors, 1946), Table 10, p. 68.
utilize infill and urban renewal within Winnipeg. At the same time, there clearly was a significant amount of land left for expansion of Winnipeg itself. Indeed, the amount of urban developed land was about 69 per cent of the total area that was subdivided. Further, almost one-quarter of Winnipeg's area remained unsubdivided (although, not all areas would be suitable for subdivision so this figure in reality would be much less).

Despite the availability of land in Winnipeg for development, the post-war period from 1946 to the present has seen a continuation of historical trends of suburban sprawl.

Within the city, parts of Riverview, large areas in River Heights, and land west of McPhillips were developed. In addition, there were some areas of residential redevelopment within older parts of the city — e.g., Urban Renewal Area No.1 north of the CPR tracks; removal and redevelopment of the former Midland Railway property in Urban Renewal Area No. 2; private redevelopment of the Roslyn Road-Wellington Crescent area into high-density multiple-family units; similar private and public sector redevelopment around and to the west of Central Park and on selected sites south of Broadway. In addition, several major commercial redevelopment projects occurred within the CBD.

But generally, as a comparison between Maps 6 and 7 indicates, physical development occurred outside of the City of Winnipeg —

especially westward in St. James-Assiniboia, but also northward to the Kildonans, eastward to St. Boniface and Transcona, and southward to St. Vital and Fort Garry. Charleswood, Tuxedo, South Fort Garry, South St. Vital, and northerly portions of the Kildonans have been the focus of development in the latter 1970s, early 1980s.

Transportation and industrial locations again have played a role in the patterns of settlement. For example, Symington Yards and adjacent industrial development set limits on the eastward expansion of settlement in St. Boniface. The Winnipeg International Airport forced St. James development to be sandwiched between the Assiniboine River and the airport and thus to extend ever westward along Portage Avenue rather than proceed in a more compact form. The Inkster Industrial Park in the northwest also directed residential settlement around its perimeters. Indeed, Map 7 clearly demonstrates how transportation and industrial facilities separate the north and northwest residential areas (on both sides of the Red River) from other residential sectors of the metropolitan region.

The political boundaries shown on Map 7 also are interesting because they indicate the future areas of development, especially to the west and south. Moreover, they indicate future development beyond the Perimeter Highway which, at one time, was thought to be a sufficient boundary for the encouragement of a more compact built-up area.
The physical expansion of the metropolitan area is reflected in the census data. The population of the suburban municipalities around the City of Winnipeg increased from some 80,000 in 1941 to 310,000 by 1973. Indeed, whereas Winnipeg had 73.5 per cent of the metropolitan-area population in 1941, this proportion dropped dramatically to 66 per cent in 1951, 55.8 per cent in 1961, 45 per cent in 1971, and 35.5 per cent in 1981. In addition, as indicated on Table 1 (page 41), Winnipeg experienced an absolute decline in population after 1961. Over the next 20-year period, its total population would be reduced by 58,135 or almost 22 per cent of the 1961 peak. The population of the old city as of 1981 had fallen to the level experienced in the latter 1920s.

Some, but not all, of Winnipeg's population decline occurred within the CBD. In the three census tracts which encompass the CBD (bounded on the north by Notre Dame and the south by the Assiniboine River), there were 15,570 residents in 1941, about 5.2 per cent of the metropolitan-area population. By 1951, the number of residents had dropped to 13,080, or 3.7 percent of the metropolitan population. A decade later, the number had declined to 9,948 or 2.1 per cent of the metropolitan total. Since then, the CBD residential population has stabilized in the area of 9,200 to 9,400, or between 1.5 and 2.0 per cent of the region's total.

The observed shift of population from the City of Winnipeg to suburban areas accelerated during the 1970s relative to the 1960s.
Population decline during 1961-1971 totalled 19,716 while between 1971 and 1981 population declined by 38,419 or almost twice as much in absolute terms.

The acceleration of population decline coincided with the creation of a new form of 'unicity' government which amalgamated Winnipeg and eleven other municipalities. This amalgamation created a single municipal council and a unified Department of Environmental Planning.

The new structure obviously did not halt the urban sprawl. The resulting decentralization was accentuated by city council's policies, especially during the 1970s, which were manifested in rapid approval of new subdivisions, new regional shopping centres, and numerous suburban high-rise apartment units and townhouses.

While the development of the urban area is, for the most part, a function of the private sector, it is the decisions and policies of City Council which provide the framework within which this development takes place. Policies of local government, if pursued vigorously enough, determine the pattern of growth which will take place within the urban area. Until now the city has not assumed any responsibility for urban growth management. Instead of managing growth and directing it to those areas most suited to physical development from economic and environmental perspectives, the city has merely provided regional services to those sectors of the urban area where the development industry is active. In short, the city's policy with respect to urban growth management would appear to be as follows:

1. to accommodate the demand for new housing in the suburban periphery;
and,
2. to accommodate growth in all sectors of the city without respect to cost. 34

The philosophy that urban government has a responsibility to facilitate the activity of the development industry continues to prevail in 1984. Earlier this year, a debate arose concerning whether or not a major private developer should be permitted to undertake a residential subdivision in the outer reaches of South St. Vital. During this debate, a senior member of council argued that the city must permit the development to proceed because it had a responsibility to prevent the private development corporation from going bankrupt. The subdivision was subsequently approved.

The philosophy of maintaining suburban growth in the mid-1980s is an anachronism dating from Winnipeg's first land boom of a century earlier. 'Greenfields developments' on an extensive scale are inappropriate in situations where the inner city's population is declining and overall regional population is growing very slowly. These developments certainly conflict with the efforts of the Core Area Initiative and the proposals of Plan Winnipeg to limit the extent of suburban growth.

II.2 RESIDENTIAL DETERIORATION AND REHABILITATION

One of the major concerns of present core area renewal activities in Winnipeg is to improve the condition of housing and neighbourhood facilities in the inner city. The urban renewal
activities of the 1960s, the Community and Neighbourhood Improvement Programs of the 1970s and the Core Area Initiative of the 1980s share this common goal.

II.2.1 A History of Deterioration

The CPR Boom

The deteriorating conditions giving rise to these goals are not a recent phenomenon in Winnipeg. The routing of the CPR through the residential area of Point Douglas, the relocation of industry along the tracks and the accommodation shortage associated with the CPR land boom of 1881-82 contributed to substantially inferior housing conditions. The shortage of housing resulted in many new cheap and flimsy units being constructed, as well as conversion to multiple-unit dwellings of many substantial units previously housing a single well-to-do family. In addition, as land prices rose the temptation to subdivide existing lots increased, resulting in a hodgepodge of dwellings on exceedingly narrow lots. Following the collapse of the boom in 1882, the crowded inferior housing remained as a legacy of the arrival of the rails. Capital was not available to completely rebuild the dilapidated districts nor would investors countenance abandonment of their investments.
The 1901-1911 Boom

The boom of 1901-11 saw a repeat of many of the phenomena of the 1880s. New rail lines intruded into residential areas as did industrial facilities that followed the rails. Land in Fort Rouge, for instance, was subdivided into 7.6 metre (25-foot) lots to accommodate workers at the Canadian Northern shops. Small-lot subdivision also occurred on the north side of the Assiniboine River, especially as river lots west of Colony Street were quickly subdivided to accommodate the rapid expansion of population as it spread to the north and south of Portage and Notre Dame avenues. Similarly, the area north of the CPR yards and main line was densely developed on 7.6 or 10-metre-wide lots with little open space. Combined with poor construction, these conditions contributed to overcrowding, health problems and, for the longer-term, set patterns of settlement and investment which proved costly to overcome.

A population boom during this period again caused a chronic shortage of residential facilities. Again the conversion of buildings, especially single-family dwellings to multiple-family or boarding-house situations, constituted a response to the population and economic pressures of the time. It would appear this context helped accelerate the pace at which the conversions occurred. However, this is a speculative assertion since it is not clear from the literature whether owners undertook the conversions for purely revenue considerations (e.g., to take advantage of the context), or
whether lifestyle or other circumstances (e.g., retirement, widowhood) may have contributed to the decisions to share homes with boarders, or to convert and rent out the entire premises, or to sell out to investors who would subsequently undertake the conversions.

It does appear, however, that many of these converted dwellings did not necessarily comprise a 'cheap' form of accommodation — at least not immediately:

A large number of the original homes (in the central city), built as they often were for quite well-to-do persons, remained fine, useful structures which continued to command substantial rents and prices. Thus as original inhabitants moved out, their places were not quickly filled by the lower class for whom the rents and prices remained too steep. Rather, the residential areas of the central core declined very gradually...

The growing working class and the large numbers of disadvantaged immigrants tended to gravitate to the North End, where land was cheap and a large number of working-class homes were constructed in the years after 1895.

The Winnipeg City Planning Commission of 1911-13 was particularly critical of housing conditions. The commission's report, based on inspections of 2,222 houses and other research, indicated many instances of overcrowding; lack of ventilation, light and sanitary facilities; poorly constructed dwellings inadequate for winter conditions; and other violations of health and building by-laws. In many areas, rental units were not being adequately maintained because owners were holding properties for near-term speculative gain with resulting demolition of the existing structure.
Concern was also expressed that "older apartment blocks and to a large extent the old residences, which are being encroached upon by commercial and industrial property, are tending to develop into tenement houses of a dangerous type".  

The First World War

Winnipeg again faced a housing shortage during the First World War. The city was the West's main military centre with Osborne Barracks and the drill hall and armoury on Broadway serving as recruiting and training centres. At Main and Broadway were the headquarters of the Winnipeg Grenadiers, 79th Cameron Highlanders and the Winnipeg Light Infantry.

In addition to the influx of people caused by wartime recruiting and training, Winnipeg received an influx of railway workers who became unemployed with the completion of the railway network. Many were recent European immigrants ineligible for military service.

The Depression

The Depression of the 1930s again contributed to unsatisfactory residential and neighbourhood conditions in inner city areas. Many properties fell behind in taxes. The result was the abandonment of both developed and undeveloped properties, which then reverted to municipal control because of the forfeiture of taxes, or the
demolition of buildings to avoid taxes.

Most alarming...was that the economic difficulties of the (Great) Depression actually resulted in many buildings being demolished by owners in order to escape the burdens of taxation. Among the numerous demolitions of the decade were many of the city's notable mansions, including the former homes of such well-known members of Winnipeg's elite as Sir Augustus Nanton, Sir William White, Sir Daniel McMillan, and the Honourable Robert Rogers. A number of other houses of the same type were abandoned by owners and were acquired by the city for tax arrears....40

In addition to abandonments for tax purposes, numerous abandonments occurred due to mortgage arrears.

The Second World War

The advent of World War II again brought a housing shortage. This time the situation was exacerbated by a lack of maintenance and new construction during the Great Depression. While many new units were built during the war in suburban municipalities, a major portion of the response to the shortage again involved a conversion of existing buildings to higher densities.

By the end of the war, official planning studies indicated that in terms of residential land uses in the downtown (see Map 8), there were substantial areas with residences south of Graham; north of Portage; west of Colony; north of Notre Dame; and north of Alexander

on the east side of Main Street. A residential pocket also existed in the area bounded by James, Pacific, Louise and Amy.

However, intrusion of non-residential uses into previous residential areas continued. In the CBD, residences were displaced by commercial land uses — in South Portage, for example, this occurred on Graham west of Eaton's and on Carlton Street; in North Portage, it occurred on Edmonton and Kennedy.

Map 8 also indicates the extent to which downtown residential land uses were dominated by rooming houses, other forms of multiple-family dwellings and mixed residential/commercial structures. There were very few areas of single-family dwellings. Indeed, there was a remarkably mixed pattern with all classes of housing represented in nearly all portions of the area.41 At the same time, there also were examples of overcrowding and blight, especially west of Central Park in the area between Qu'Appelle and Sargent; north of Notre Dame near the Winnipeg General Hospital (now the Health Sciences Centre); south of Portage between Graham and York, Edmonton and Fort; and south of Broadway between Carlton and Hargrave.42

However, the areas of the most substandard residential facilities were considered to be Point Douglas and streets to the south and north of the CPR main line. One author had this description in 1933 of the areas occupied by "Chinatown, and the Black Belt, and the sixty European races who fill the thoroughfares
north of Higgins Avenue":

Suffice it to say that large areas of Winnipeg, the shacktown survivals, the miles of houses erected by builders who had a fine ignorant contempt for the essentials of civilized architecture, the mean purlieus where business and home life are huddled together in ugly squalor -- all this some day will be sponged out, and rebuilt on lines befitting this enlightened modern age.43

That "some day" would be more than 30 years away and attempts to "sponge out" these areas, as large-scale as they appeared at the time, did not affect more than a fraction of the physical area encompassed by these comments.

A contributing factor to the substandard conditions in the downtown was an absence of zoning controls prior to 1948. For example, the authors of a study published by the Metropolitan Planning Committee and Winnipeg Town Planning Commission (MPC/WTPC) had this comment on the HBC reserve:

In the Hudson's Bay reserve area, residential, commercial and light industrial uses have become so closely intermingled that the area cannot be used satisfactorily for residential use without complete, co-ordinated re-development.44

A subsequent report on residential areas modified this statement by more carefully defining those areas in need of full-scale redevelopment and those which required conservation and selected new development to enhance their positive attributes.45 Point Douglas, a small area south of the CPR yards, and a substantial area north of
the yards were identified as substandard and in need of rebuilding. Areas of blight, which were in need of conservation and remedial actions, were west of Central Park between Qu'Appelle and Sargent; north of Notre Dame in the vicinity of the Winnipeg General Hospital; four blocks between Graham, York, Fort and Smith; another four blocks between St. Mary, York, Edmonton and Smith; and an area south of Broadway between Carlton and Hargrave.

It would appear from Map 9, however, that the MPC/WTPC opted to recommend the zoning out of residential uses in at least some of these blighted areas rather than efforts to conserve and rehabilitate their residential components. Indeed, to the north, east and south of the proposed "CM" zone were proposed zones of light industrial and commercial uses. Multiple-family residential uses, interspersed with commercial zones on main thoroughfares, were proposed for the areas west of the "CM" zone. Smaller pockets of residential use (all higher density, multiple-family uses) were suggested for the area around Central Park and for a sector bounded by York, Assiniboine, Kennedy and Smith and extended along Broadway from Smith to Garry. Indeed, of the area bounded by the Red and Assiniboine rivers, Sherbrook Street and the CPR yards, only Armstrong's Point was designated as an R1 (one-family) district.46

The Post-1960s

The concerns over deterioration of residential areas in the downtown had not been alleviated by the late 1960s. A report on the downtown by the planning division of the Metropolitan Corporation of Greater Winnipeg identified major problems south of Portage Avenue. While the south side of Portage Avenue was a strong retail sector, the rest of South Portage presented a less vigorous image. South of Broadway, there was a non-residential sector with mixed uses between Main and Donald, while the area between Donald and Kennedy primarily was residential. The sector between Broadway and Portage was characterized as one of decline and abandonment. Some 36 per cent of the buildings were classed as in poor condition; some 30 per cent of the land was vacant or devoted to surface parking or parking structures. Also, the area between Main and Garry contained several auto-related businesses with associated open storage areas. While there had been considerable residential redevelopment south of Broadway, with apartment blocks replacing single-family homes, this had not occurred in the area between Broadway and Portage. There were 48 residential structures in this sector, 73 per cent of which were more than 60 years of age. Most were single-family units converted to multi-family units.

Another view of the levels of deterioration and transition in the downtown was provided by a report by Reid, Crowther & Partners Ltd. prepared as a background planning document for the Metropolitan
Corporation. Map 10, reproduced from that report, shows the extensive levels of obsolescent and deteriorated buildings, piecemeal development with mixed land uses and areas of unco-ordinated transition.

Over the past 15-20 years substantial elements of the zones shown on the map have not drastically improved. The northwest corner is the site of the Logan area redevelopment program of the Core Area Initiative. The triangular-shaped area in the middle west side of the map contains the North Portage redevelopment area where commercial and industrial establishments continue to co-exist with residential areas.

One of the legacies of Winnipeg's history of dispersed development is that the older sections of 'suburban' areas also contain significant areas where industrial development and residential units are interspersed. North St. Boniface is an example of this situation.

II.2.2 Urban Renewal

The fact that many areas of substandard residential neighbourhoods and poor housing continue on a broad scale in Winnipeg is a sign of the size of the problem that was inherited in the post-war period. Because of a lack of redevelopment pressure and capital shortages, zones of deterioration were not redeveloped at an
MAP 10. Downtown Problems, Patterns and Influences.

SOURCE: Reid, Crowther and Partners Ltd., A Market Analysis for Metropolitan Winnipeg (Winnipeg: 1967), Appendix I, Figure 2.5.
early stage of the redevelopment cycle; substandard situations continued until such time as governmental intervention was required on a broad scale.

This governmental intervention largely has involved intergovernmental co-operation and, during the past 25 years, senior levels of government have frequently set the priorities for action. Whether or not urban renewal activities fit into an a priori comprehensive city plan became a secondary consideration to efforts to attract federal and provincial funds into municipal coffers. When the interests of the senior governments changed, so did those of the municipalities — as represented by a succession of programs concerned with redevelopment and rehabilitation in Winnipeg: urban renewal, Neighbourhood Improvement Program, the Community Services Contribution Program, Community Improvement Projects, Core Area Initiative, and the North Portage Development Corporation.

In 1958, Winnipeg city council appointed an Urban Renewal and Rehabilitation Board which, by 1961, had produced six studies focussing on housing and potential areas for urban renewal in Winnipeg. Concurrently, the Manitoba government and the Central (later Canada) Mortgage and Housing Corporation (CMHC) became involved in a detailed study of the Point Douglas area. This activity led the province at one point to urge that a new city hall be built in Point Douglas and, later, to decide to place the Centennial Centre complex on the east side of Main in the midst of
what would become Urban Renewal Area No. 3.⁴⁹

The city's board identified two areas of particular concern: (1) the sector west of Main Street and the city hall where the Midland Railway was a negative influence and a barrier to comprehensive urban renewal; and (2) a sector north of the CPR yards between Main and Salter. The latter became the city's first official urban renewal project (the Lord Selkirk Park project or Urban Renewal Area No.1). Plans for the former were held in abeyance pending the outcome of negotiations with the Midland interests.

Urban Renewal Area No. 1

When the city first embarked on urban renewal agreements with the federal and provincial governments in 1962 and 1963, the Lord Selkirk Park project was seen essentially as a slum clearance program, not a comprehensive redevelopment effort.⁵⁰ The basic concept was to acquire and clear many of the 250 buildings in a 20-hectare site bounded by the CPR yards, Flora, Main and Aikins. Provision was to be made for up to 700 units of public housing, rearrangement of the street system, segregation of future industrial/commercial activities from residential areas, and improvements in community facilities such as schools and parks. About six hectares were to be set aside for private development. Estimated total cost was $15 million, including the provision of 165 housing units on city-owned land in the Burrows-Keewatin (later
Gilbert Park) area to house persons displaced by the renewal activity. It was thought the program would take five or six years to complete.

In 1962, the city and CMHC agreed to equally share the estimated $7,379,000 cost of acquiring and clearing land in Area No. 1. The following year, the province and city agreed to share the city's half of the costs although a ceiling of $1.5 million was put on Manitoba's contribution. Further agreements followed in 1964 as modifications were made to the project. By 1967, major revisions were required to original plans in light of changes to federal legislation which expanded the possible scope of urban renewal activity and in light of experience with implementation of the plans for Area No. 1.

The 1967 revisions expanded Area No. 1 through to Selkirk and Salter. More extensive rehabilitation of community and municipal services was planned, as was a greater level of clearance activity. Costs initially were estimated to rise to $10.2 million, including $4.3 million which had been spent to that point on the original scheme. The costs were to be shared by CMHC (50%), the city (25%) and the province (through the Manitoba Housing and Renewal Corporation (MHRC), 25%). However, MHRC required the elimination of two major acquisitions which had the effect of reducing estimated costs to $8,750,000. Further, CMHC required the city to commit itself to contribute $140,000 (12½%) toward the estimated $1.12 million cost of 70 additional housing units in Burrows-Keewatin.
More revisions followed a 1971 review of the scheme. That review found that neither the original nor the 1967 plans had yet been fully implemented. The core of the area had been redeveloped with a housing project, an existing park had been enlarged and improved as had an existing elementary school. Municipal services were renovated as planned, and the R.B. Russell vocational school had been built. Some businesses also had relocated or expanded in the area. However, large tracts of land that had been cleared remained undeveloped — mostly in areas reserved for business/industrial uses although lands set aside for housing and institutional development also were undeveloped. In many cases, land was under expropriation for four years or longer, and the slowness of the transfer process served to exacerbate the uncertainties facing residents and businesses. It also contributed to adverse effects in the physical environment.

As a result of the review, plans for total clearance of some blocks were abandoned in favor of spot clearance, while preservation and rehabilitation of other sites was proposed. An attempt was made to deal with the resulting problem of isolated vacant sites and older houses under the ownership of the urban renewal partnership by offering some properties for sale to private individuals, including current tenants, and to MHRC for infill housing.

By 1975, the $8,750,000 gross amount allocated to the Area No. 1
project had been spent although the scheme was not yet completed. The federal government had discontinued its involvement in new urban renewal programs in 1969; in 1977, as a result of ongoing problems with existing partnership agreements, it agreed to approve a phase-out plan involving expenditures to 1980. Another $450,000 was approved for the Lord Selkirk Park project, bringing total gross expenditures to $9.2 million. As of April, 1979, some $1.15 million had been recovered from land sales; future recoveries of $790,000 were expected. This was less than the $2.35 million estimated originally for recoveries. In addition, these returns often represented — in this and other urban renewal activities in Winnipeg — intergovernmental transfers since one of the partners in the scheme (often MHRC) would be the purchaser. In these cases, land was sold to the partner for $20,000 per acre (0.4 hectare). It was estimated that land in Area No. 1 cost $100,000 per acre to acquire and clear.\textsuperscript{51}

Urban Renewal Area No. 2

The City of Winnipeg also gave consideration to redevelopment of the deteriorated precincts south of the CPR yards. In 1965, the city entered into cost-sharing arrangements with the federal and provincial governments to undertake studies of Urban Renewal Areas No. 2 and No. 3.

Area No. 2 encompassed 218.5 hectares bounded by the CPR yards,
Notre Dame, Main Street and Arlington Street. The area was predominantly residential — 1,662 of its 2,341 buildings were used for this purpose. But there also were other important land uses — the Midland Railway and associated warehouses, a wholesaling/manufacturing district in the southeast corner, the Main Street commercial strip, the Civic Centre and other public buildings, the General Hospital, other medical facilities and the medical campus of the University of Manitoba, and the industries and warehouses associated with the CPR.

Area No. 2 also was surrounded and divided by major thoroughfares used by through-traffic rather than traffic generated internally. Its secondary street system was characterized by small blocks south of William as well as divisions created by major land users. The effect was to divide the area into small enclaves, each with little communication with the other, some exclusively residential, commercial or industrial, others with mixed and often incompatible land uses.

The eastern portion of Area No. 2 was among the first residential areas of the city in the 1870s and 1880s. Settlement spread rapidly in association with the CPR so that much of the area (at least to the hospital) was filled by 1920. Public sector activities had resulted in some new construction but, overall, very little renewal had occurred in the area since the 1950s. The consultants who studied Area No. 2 for the city considered some
two-thirds of the buildings to be in fair to poor, or poor condition. Among residences, 76 per cent were considered fair to poor, or in poor condition.

The area was an important locus of employment as more than 27,000 persons (including many residents of Area No. 2) were involved in production activities valued in 1965 at more than $500 million. Major employers included the public institutions, wholesaling, manufacturing, transportation, communications and retailing.

Hotels and rooming houses also were significant. The latter reflected the considerable subdivision which had taken place as single-family units were turned into boarding or multiple-family situations. It also reflected a loss of families from Area No. 2 as well as a substantial population decline. From a level of almost 18,000 persons in 1941, the population had fallen to 11,823 by 1966 (excluding students and other residents in the hospital complex). The population tended to include more single-person or two-person households, older persons and low income persons than Winnipeg's general population.

Overall, the consultants concluded that it was crucial to redevelop Area No. 2 given its importance to the economic health of the nearby CBD and the need to reinforce activities proposed in Urban Renewal Area No. 3 east of Main Street. However, prospects for residential rehabilitation were poor since only 25 per cent of
residents owned their property. Similarly, there was little likelihood of major new commercial or industrial investment. Thus, substantial environmental changes, stimulated by large-scale public sector projects, were required. In addition, an overall development plan was necessary so that private investors attracted to the area by the public initiatives would be assured that their developments would be protected from incompatible or adverse land uses.

Selective Renewal and Rehabilitation

About the time that the report on Area No. 2 was issued, the federal government began to withdraw from large-scale urban renewal programs -- given the cost, controversy and social disruption that became associated with this approach to reshaping older urban centres. Demolition and reconstruction were not abandoned entirely as tools of public policy, but their application became more selective. Indeed, without funding from senior levels of government, it was unlikely that most municipalities would be able to afford much large-scale physical renewal.

Attention turned to rehabilitation and conservation. Again, federal legislation in the form of 1973 amendments to the National Housing Act had a critical role to play. Out of the legislative changes emerged a variety of new financing schemes to encourage renovation and conservation. These included the Neighbourhood Improvement Program (NIP), which was designed to upgrade local
services and community facilities, and to encourage citizen participation in neighbourhood development; and the complementary Residential Rehabilitation Assistance Program (RRAP) to provide grants and loans to individual property owners to upgrade their residences.

In this context, city council accepted the consultants' report for Area No. 2 as a conceptual guide, and approved their Phase I proposals in principle. However, the main outcome was the eventual acquisition and clearance of the Midland Railway (later Burlington Northern (Manitoba) Ltd.) property and housing redevelopment on the land under the auspices of MHRC. Indeed, an agreement was reached in 1970 for the transfer of railway's 9.7 hectares of land. The transfer was to be completed in two phases by 1972-73. The city and the two senior governments agreed to share the estimated $4 million in acquisition and clearance costs. The city paid 25 per cent; the province, 25 per cent; and CMHC, 50 per cent. MHRC began its housing scheme in 1976 with a second phase starting in 1978-79. Much of the other activity in the area occurred under such programs as NIP and RRAP.

By 1978, Winnipeg had designated six NIP areas and more than $20 million in NIP and RRAP funds had been committed to community and housing improvements in these districts. But the federal government again changed the program. Starting in 1979, NIP funding was amalgamated with two other municipal programs to produce 10
categories eligible for funding, to widen the number of municipalities which could receive assistance, and to place funding on a yearly rather than a project basis. As a result, the NIP programs had to compete with other priorities for somewhat lesser total sums of funding from senior governments. Under this new Community Services Contribution Program (CSCP), an agreement between Canada and Manitoba designated some $4.8 million in funds in 1979 and $7.9 million in 1980 for Winnipeg. During this period, another five areas were designated for what were now called Community Improvement Projects. In addition to these NIP/CIP areas, RRAP funding after 1978 could be extended to what were called special areas or, later, community improvement areas in order to reinforce neighborhoods which were contiguous to the NIPs/CIPs. Yet again, the federal government opted in 1980 to withdraw from the Community Services program. In Winnipeg's case, federal involvement subsequently continued through the 1981 Core Area Initiative (CAI) Agreements, which included provisions for residential rehabilitation and assistance to the Winnipeg Housing Rehabilitation Corporation. In addition, as part of the agreement for city participation in the CAI, a federal commitment was obtained to provide $2 million in each of 1981 and 1982 to permit the city to complete activities begun in the five CIPs started through NIP and the CSCP.\(^55\)

Although a report was prepared for Urban Renewal Area No. 3,\(^56\) extensive redevelopment did not take place in the area. The Centennial Centre with a concert hall, museum, planetarium and
theatre was constructed but without significant impact on the quality of the area.

In 1968, the city's Housing and Urban Renewal Department proposed a Neighbourhood Improvement Program for the North Point Douglas area. This program was subsequently implemented and the North Point Douglas area continues to be one of the action areas for the Core Area Initiative.

Public Sector Land Developers

During the past 20 years, MHRC has undertaken an independent urban renewal strategy in its role as a land developer. The corporation has acquired and developed extensive land holdings in the inner city utilizing financing programs administered by CMHC under the National Housing Act. Map 11 indicates the location of recent MHRC housing projects in the inner city of Winnipeg. Some of these have been family units; a number of others have been units for elderly persons.

Over the past five years the Winnipeg Housing Rehabilitation Corporation also has become active; it is currently pursuing a number of projects in the North of Ellice area.

The Core Area Initiative program funded by the three levels of government continues the attempt to overcome neighbourhood decay.
Key to Location of M.H.R.C. Housing Units In the Core Area

Elderly Public Housing
1,4,5,10,12,13,14,20,
22,24,26,27,29,31,35,
36,38,39

Family Public Housing
2,3,6-9,11,15-19,21,23,
25,32,33,40-47

Mixed Elderly and Family Public Housing
28,30,34,37

- less than 20 units
- between 21 and 100 units
- 101+

The CAI includes a full range of activities from land assembly, to home ownership and rehabilitation grants, to conversion grants to establish condominium facilities in recycled commercial buildings in the Historic Area. The CAI also involves support for neighbourhood infrastructure development and grants for innovative community development strategies. The land assembly activities have not been used to date to acquire the sites of industrial or commercial intrusions into threatened neighbourhoods.
Notes

Abbreviations used in the footnotes:

Minutes - Minutes of the City Council of the City of Winnipeg, Manitoba

MPC/WTPC - Metropolitan Planning Committee and Winnipeg Town Planning Commission


18. Ibid., 109.


29. MPC/WTPC, Background for Planning Greater Winnipeg (Winnipeg: The authors, 1946), 62.


32. Winnipeg Tri-Level Committee on Urban Affairs, Urban Growth: A Background Paper on Urban Growth Management in the City of Winnipeg (Winnipeg: The authors, 1978), 9-10.

33. Damas and Smith Ltd., Winnipeg Downtown and Portage Avenue Study (Winnipeg: The authors, January 1979), 1-2.

34. Winnipeg Tri-Level Committee on Urban Affairs, Urban Growth, 24-25.


36. Artibise, Winnipeg: An Illustrated History, 64.


38. Ibid., 250.


40. Artibise, Winnipeg: An Illustrated History, 139, 142.

41. MPC/WTPC, Preliminary Report on Central Business District, No. 8 of Master Plan Reports (Winnipeg: The authors, 1948), 24.

42. MPC/WTPC, Preliminary Report on Residential Areas, 26-35.


44. MPC/WTPC, Preliminary Report on Zoning, No. 6 of Master Plan Reports (Winnipeg: The authors, 1947), 12-13.


47. Metropolitan Corporation of Greater Winnipeg, Planning Division, Downtown Winnipeg (Winnipeg: The authors, April 1969).

48. Reid, Crowther & Partners Ltd., A Market Analysis for Metropolitan Winnipeg (Winnipeg: The authors, April 1967).


50. See, in addition to sources in Footnote #49: Minutes, No. 14, June 5, 1967, 531-35; No. 24, October 10, 1967, 912, 947-51; No. 28, September 15, 1976, 1585-86; No. 29, October 19, 1977, 2154-56; No. 21, June 14, 1978, 1351 and No. 12, April 4, 1979, 1083-85.


52. Ibid.


III. CENTRAL BUSINESS DISTRICT ISSUES

Winnipeg's first central business district (CBD) was located at the junction of the Red and Assiniboine rivers, known as the Forks. This was the location of a series of native and European encampments and forts culminating with the reconstruction of Upper Fort Garry by the Hudson's Bay Company in 1835-38.

Over the next 150 years the centre of attraction in the CBD shifted as the downtown area expanded. There is little question, however, that until the end of the Second World War, the downtown area lying between the Red River and Memorial-Isabel, the Assiniboine River and the Canadian Pacific Railway (CPR) yards and tracks contained the predominant retail and commercial/institutional precincts in the city as well as major industrial/manufacturing areas. There also were substantial residential populations — some in neighbourhoods considered to be blighted but many in areas of relatively high residential quality.

Although the decline in the importance of the downtown in terms of its central business district functions has been substantial in the last 40 years and apparently accelerating in the last 20 years, the health of the downtown was waning for some time prior to the Second World War.

For instance, the Winnipeg City Planning Commission of 1911
raised concern about the unplanned nature of Winnipeg. It found there was a lack of parks and squares in the downtown and that office building heights and densities, particularly in the Notre Dame-Portage-Donald triangle, were too great.

Similarly, the joint efforts of the Metropolitan Planning Committee and Winnipeg Town Planning Commission (MPC/WTPC) immediately after the Second World War indicate that significant problems had developed in the previous 25 years. In a 1948 report, the MPC/WTPC argued that 'destructive' decentralization of the essential functions of the core had to be forestalled.¹

The development of the downtown is discussed in this section under three major headings: i) retail, ii) commercial/institutional and iii) industrial.

The review indicates that the destructive decentralization was not forestalled. Appropriate growth management policies were not adopted which would ease the transition of Winnipeg from the apogee of its power in 1912 to a mature stable city of the 1980s.

III.1 RETAIL ACTIVITIES

Retail activities were a major component of Winnipeg's CBD during the pre-Confederation era. The fur trade forts located at the Forks served both retail and wholesale/commercial markets.
Retail activities have continued to exert a major impact on the CBD. In fact, retail initiatives by major actors have been the source of significant shifts in development activity ever since the fur trade era. These shifts, especially during periods of low redevelopment pressure, have contributed to the 'destructive decentralization' of the retail sector in Winnipeg.

III.1.1 Early Retail Development

An early impetus for locational shift of the CBD was the competition between the free traders in the area of Portage and Main and the Hudson's Bay Company (HBC) at the Forks.

By 1869, these free traders were providing serious competition to the HBC, not only in the fur trade but also in the provision of goods and services to a growing number of settlers.²

A key event in confirming this new commercial district was the erection in 1862 of a store at what is now the northwest corner of Portage and Main.³ The store was the project of Henry McKenney and his half-brother John C. Schultz. McKenney had arrived in the colony in 1859 and started its first hotel and subsequently its first licensed bar. Schultz was to become a leading entrepreneur and controversial political figure.
The site, purchased from Andrew McDermot, was a curious choice given its distance from the river and the other businesses in the hamlet. But the choice capitalized on two factors: McKenney's hotel experience and the absence of a firm survey determining where the Portage Trail should meet the Main Road.

In 1841, the district's administrative body, the Council of Assiniboia, had designated the Main Road for clearance to a width of two chains (about 40 metres) to accommodate ox cart and other traffic in the context of the area's often muddy conditions. An earlier road clearance westward to Sturgeon Creek also had been surveyed, but it remained basically a trail with branches that veered off around present-day Portage and Carlton. One branch went to Upper Fort Garry, the other joined the Main Road around the present site of City Hall. Over time, however, travellers cut a third route between these two in order to patronize Bannatyne's store, McKenney's hotel, the post office, the grist mills and other establishments which were east of the Main Road.

McKenney apparently sought to take advantage of this pattern of travel. Land values rose as others followed his lead, including William Drever, another merchant, who built a structure to the south of McKenney.

By 1872, Winnipeg had a well established retail strip especially to the north of Portage Avenue along Main Street (see
Map 12). Among the establishments were a drug store, a restaurant, a bakery and several general merchandisers.

By 1874, following the city's incorporation and with the growth of the economy, there were some 19 general stores in addition to hardware, dry goods, furniture, butcher and book shops; two tailors; two watchmakers; 11 lawyers and eight doctors; and several hotels and boarding houses. 4

Winnipeg's population more than doubled to 20,000-plus during the 1881-82 CPR land boom. The demand for goods and services associated with this increase, and with CPR construction, greatly stimulated commercial development in the city. Retail sales were reported to have increased four-fold to some $6 million in 1881 alone. 5 The HBC built a new retail outlet at Main and York in 1881; Jerry Robinson, an aggressive Emerson merchant, moved to the city and established his department store on Main north of Portage in 1882.

These two events were of some significance for the retail district at Portage and Main. The HBC store gave recognition to the fact that the Portage and Main merchants were a serious competitive force.

Robinson's arrival was a more significant event. His store, Robinson and Company, initially measured 7.6 by 2.1 metres. By
MAP 12. Buildings in Village of Winnipeg, 1872 (as identified by the Manitoba Free Press, 9 November 1922)

1890, the store occupied prominent space in the Dundee Block and subsequently expanded to cover one-fifth of a hectare of downtown property with entrances on Main and Albert streets. Newspaper accounts indicate that the quality and style of the Robinson and Company store made Main Street the premier shopping zone of the time. When it closed in 1929, the store had 800 employees.6

III.1.2 Retail Relocation

The retail trade of the era stayed closely tied to Main Street notwithstanding the fact that substantial commercial development occurred in the Market Square area in the late 1880s and early 1890s. A major shift in the retail zone did not occur until the first decade of the 20th century during the land boom of 1901-11. At that time, a dramatic change in the city's retail sector was brought about by the opening of the T. Eaton Company's five-storey department store in 1905.

The store was the Eaton family's first venture outside of Toronto and the first major responsibility for John C. Eaton, who was to succeed founder Timothy Eaton as president in 1907. The Portage-Graham-Donald-Hargrave site was purchased in 1904 originally to provide a mail order outlet which would better serve the rapidly expanding population of western Canada. But there also was concern that Montgomery Ward, a major U.S. retailer, might follow the numerous American immigrants who had settled in the West. Thus,
plans were made for a combined retail/mail order operation. The enterprise was to be housed in a six-storey building but, after a study of pedestrian flows around the site, it was thought that a five-storey structure would be sufficient for contemporary and future needs. It was not; the store became so popular that a sixth storey was added within a year of the 1905 opening. Two more storeys, two annexes and a separate mail order building in the block south of Graham Avenue followed. The company observed in a publication celebrating its fiftieth anniversary that:

In 1905 there was a slight tendency evinced in the retail business towards moving up Portage Avenue. It may be safe to venture that the establishment and expansion of the Eaton store is in large measure responsible for the fact that the movement has been confirmed and that the shopping district has located itself in this particular region.

The Eaton company had not constructed its grand store in the wilderness — Wesley College, Manitoba College and Isbister School, for example, were established further to the west along Portage and Ellice avenues prior to 1900. Holy Trinity Church, adjacent to the Eaton's site, had been engulfed by housing since its construction in the early 1880s. The YMCA built its first building in the city at Portage and Smith in 1901 (now the Birks store), and the Masonic Temple was erected at Donald and Ellice in 1900. Moreover, Lee Court, an apartment block, was under construction by 1905 on Donald between Graham and St. Mary.
Nonetheless, the site was considered something of a gamble. Yet the store became so successful that it generally has been credited with sparking the subsequent redevelopment which occurred on Portage Avenue between Donald and Main. In turn, the cumulative effect of this activity was to shift peak assessed land values away from Portage and Main and westward to Donald and Portage.\(^9\)

However, the shift in downtown shopping did not facilitate bank relocation. Rather, the major banks tended to erect their 'monuments' at their established Main Street locations. The one exception was the Bank of Nova Scotia whose track record in Winnipeg had been less successful than that of other main banks. Unable to compete directly with the others, it chose to erect its edifice at Portage and Garry where it could serve Portage Avenue businessmen. Indeed, the bank was reported to have paid a record $2,844 per foot (a total of $125,000) for its site. Subsequently, when the bank expanded in 1927, the price was $5,600 per foot, again reported to be the highest amount paid for Portage Avenue frontage to that point.\(^\text{10}\)

An interesting indication of the importance of Portage as a retail location was a 1911 announcement by the Hudson's Bay Company that it intended to build a new department store on a Portage Avenue site purchased for $1 million. This intent was publicly reconfirmed in 1912, with excavation planned for the summer of 1913. However, recession and war intervened; the company did not appear on
the avenue until 1925-1926. 11

A second interesting development in retail location occurred during this period, although its full impact on the downtown would not be felt for a number of years. By 1914, commercial ribbon development had begun — on Portage Avenue, it extended as far west as Maryland; but commercial activities also appeared on Ellice, Sargent and Notre Dame; and in Elmwood, St. James, St. Boniface, Fort Rouge and the North End. 12 At this point, however, these businesses generally were oriented only to local markets. The downtown remained the dominant commercial district, a role enhanced by Eaton's presence and its drawing power in the Winnipeg region.

The end of the pre-war boom in 1912 and the subsequent opening of hostilities marked a new era in Winnipeg's development. Population growth was less explosive and the pools of capital previously available dried up.

III.1.3 Entrenchment of Portage Avenue

Retail development during the 1914-45 period continued previous trends. Two major developments of the period confirmed Portage Avenue, particularly the south side, as the premier retail precinct in the metropolitan area.

The first was the construction of the new HBC department store
on the south side of Portage between Memorial and Vaughan. This marked the western edge of the business district and, thus, not only helped shift assessed land values to higher levels on the south side, but also pulled higher assessed values westward.\textsuperscript{13}

The second series of events concerned the establishment of some minor department stores on the south side of Portage between the HBC and Eaton's. The Kresge company, for example, purchased property between Carlton and Edmonton in 1928, demolished the existing building and erected a $500,000 store and headquarters for its western Canada operations. The Metropolitan Stores Company had purchased adjoining property in 1927 on which it located a variety store.\textsuperscript{14} Zellers and Woolworth stores also situated on the south side of Portage.

Indeed, by the end of the 1915-45 period, both sides of Portage Avenue were lined by variety, specialty and department stores, many of them in separate buildings, but others occupying the ground floor of office structures (see Map 13).

In general, the north side was characterized by a great variety of smaller shops as well as services and billiard/bowling outlets. But there also were some longstanding businesses such as D'Allairds clothing store and Liggitt's, one of the largest drug stores in the city, both in the Curry Building, and Picardy's restaurant/candy shop and Braithwaites drug store in the Scientific (formerly

Sterling) Building. The south side was dominated by the department stores, but also had a variety of specialty shops in between these. During the period, certain land uses such as grocery stores, residential buildings and hardware outlets were pushed off of Portage frontage by these other firms.

III.1.4 Retail Dispersion

At the same time, retail development patterns which subsequently caused significant problems had emerged. The first of these patterns involved the dispersion of retail trade among suburban precincts and the downtown precinct. The second concerned the spread of retail activity over very long linear stretches of the downtown.

The negative impact of these factors was exacerbated by a lack of pressure for redevelopment of former retail locations. Vacant store fronts and improvised short-term occupancies were created in the retail area. [These continue to haunt planners. The net result is an increased tendency for remaining retailers to relocate and hence increase the severity of the problem.]

The Metropolitan Planning Committee and Winnipeg Town Planning Commission addressed these concerns in various reports published between 1946 and 1948. In their Preliminary Report on Zoning, they proposed a tiered zoning system which would permit local and
secondary commercial developments but would restrict these to locations and sizes appropriate to particular local markets.\textsuperscript{15}

In their separate report on the central business district, the MPC/WTPC sought to encourage more compact development of the CBD, particularly in terms of the retail sector. Not only did they advocate restrictions on suburban retail but also on ribbon development on CBD streets other than Portage Avenue and Main Street — a feature which was already a characteristic of downtown development.\textsuperscript{16}

Both of these emerging trends had their roots in the urban sprawl and boom/bust cycles experienced by Winnipeg in the first 40 years after incorporation. A highly dispersed population provided market opportunities for retailers outside of the downtown at a time when the level of local retail entrepreneurship was generally higher than it is now. Successful individuals would grow beyond the bounds of their original local market but not relocate to the CBD.

The boom cycle of 1901-1911, in particular, locked high land prices into the downtown land-use pattern. Smaller retailers who predominated were unable to sustain the higher land values and hence moved further out along Main Street or Portage Avenue or onto adjacent streets displacing residential uses.
During the post-1945 period, successive planning initiatives by the MPC/WTPC, Metropolitan Corporation of Greater Winnipeg and Unicity failed to curb the destructive decentralization identified by the MPC/WTPC in 1948. Indeed the Unicity council, rather than relegating suburban shopping to fulfilling limited local needs, adopted in 1974 a policy to encourage completion of a system of six regional suburban shopping malls.\textsuperscript{17}

The diffusion of retail activity to non-CBD areas has become a matter of increasing concern since the mid-1970s. Map 7 (page 51) indicates the extent of commercial ribbon development along Portage, North Main, Pembina Highway and, to a lesser extent, along Notre Dame, Sargent, Ellice, St. Anne's and St. Mary's. Indeed, Portage Avenue is considered the most prominent, well-developed commercial ribbon — and a natural extension of the CBD westward to the Perimeter Highway in an almost unbroken strip.\textsuperscript{18} Excluding four planned shopping centres, there were in 1971 some 521 establishments with Portage frontage between Memorial Boulevard and the Perimeter. Retail outlets comprised 53.45 per cent of the total; services, 47.55 per cent.

But in terms of the loss of the CBD's retail primacy, concern has fo-cussed not only on ribbon development but on the advent of the various planned suburban shopping centres — especially regional centres designed to serve populations of 110,000. Indeed, between 1954 and 1973, 25 shopping centres each with gross floor areas in
excess of 2,787 square metres were opened in Winnipeg. Most of these were built between 1961 and 1966. The 1959 opening of the Polo Park regional centre, just three kilometres west of the downtown area, coupled with these other competitive centres, reflected in a declining portion of total metropolitan retail sales held by the CBD. In 1961, that proportion was 36.7 per cent; by 1966, it had fallen to 31.8 per cent. Moreover, the absolute dollar volume of CBD retail business, measured in 1961 dollars, fell from $181 million to $179 million between 1961 and 1966.

More contemporary, comparative statistics are not readily available, due in part to changes in the type of data collected by Statistics Canada. However, a recent report outlined the CBD's share of department store type merchandise (DSTM) -- i.e., merchandise sold in department stores and stores specializing in one or more of the lines carried by department stores. Over the 1961 to 1971 period, the CBD's share of total census metropolitan area DSTM sales dropped from 61.3 per cent to 30.4 per cent. The CBD's share of DSTM sales within the City of Winnipeg dropped from 67.1 per cent to 39.4 per cent. As of 1982, it was estimated that the CBD's share of CMA DSTM sales was 17.5 to 22.5 per cent. This is an interesting figure in that Reid Crowther and Partners projected in a 1967 report that 21.3 per cent of Winnipeg's retail sales would occur downtown by 1986. In turn, this projection was interesting because the authors of that report did not seem alarmed by their prediction and, indeed, argued the CBD would be able to withstand
the competition of the suburban centres.  

Polo Park was the first major, comprehensively-planned, integrated shopping-office-entertainment centre in Winnipeg. It originally included 23,411 square metres of sales space plus a 25,871-square-metre Simpson-Sears department store, a new chain in the Winnipeg market. Polo Park apparently did not do exceptionally well in terms of sales until 1963, when the centre was enclosed under a roof, the new St. James Bridge was completed, and new office buildings were erected in the area. Within the next five years, the centre had expanded to 73,744 square metres with the addition of an Eaton's store and several other retailers. This was the first time one of the two major CBD department stores ventured into a shopping centre in the Winnipeg area.

Since 1973, suburban retail expansion has proceeded at an accelerated pace. In contrast to the previous decade, when numerous relatively small centres were developed, the 1970s witnessed the construction of major regional shopping malls.

In total, the Winnipeg area had five regional shopping centres as of 1983. It has been a policy of the city council for about a decade to encourage no more than six such centres in the city, with Charleswood/Fort Garry as the only designated area not yet served by such a centre. However, these two suburbs, as well as the other sectors of the region, are served by a variety of other types of
centres within the shopping centre hierarchy. It has been argued that Winnipeg has an excess capacity of retail outlets, especially with completion of the Kildonan Place Shopping Centre. Nonetheless, in an attempt to replicate some of the conditions which attract consumers to these malls, four indoor shopping centres have been built in the downtown area since 1969. A fifth one was planned in early 1984 as part of redevelopment of North Portage. (See Tables 3 and 4).

III.1.5 Planning Retail Revitalization

During the 1960s and 1970s a number of study groups made recommendations related to the needs of the retail sector — some of which have relevance to the current Core Area Initiative.

For example, the Planning Research Centre at the University of Manitoba published a 1961 study of the optimal location of a new city hall. The actual site recommendations are not of concern here, but one of their recommendations concerning ancillary development is of interest.

In connection with a possible new city hall on the west side of Main Street near Broadway, the Planning Research Centre recommended complete redevelopment of the Canadian National Railways (CNR) East Yards and construction of a commercial mall between York, St. Mary, Garry and Kennedy. This latter would have served as competition to
Table 3

Winnipeg CMA - Retail
Space Inventory (M² GLA)

<table>
<thead>
<tr>
<th></th>
<th>CBD Retail</th>
<th>Non-CBD Retail</th>
<th>Total CMA-Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td>1975 Inventory Base</td>
<td>383,368</td>
<td>890,020</td>
<td>1,273,388</td>
</tr>
<tr>
<td>Add: Additional Space</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1975-1978</td>
<td>-</td>
<td>56,854(^1)</td>
<td>56,854</td>
</tr>
<tr>
<td>Add: Additional Space</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1978-1983</td>
<td>23,240</td>
<td>188,746</td>
<td>211,986</td>
</tr>
</tbody>
</table>

Total Retail Space
as of April 1983 406,608 1,135,620 1,542,228

Notes:
1. As of 1978, the non-CBD retail space included the following components:
   - shopping centres 391,680 M²
   - planned and smaller centres 111,149 M²
   - strip development 444,076 M²


Table 4
Regional and Downtown Shopping Malls

<table>
<thead>
<tr>
<th>Regional Centre</th>
<th>Site (ha)</th>
<th>Gross Leasable Area</th>
<th>Number of Parking Units</th>
<th>Major Tenants</th>
<th>Ancillary Stores &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polo Park (1959 &amp; 1967)</td>
<td>22.39</td>
<td>73,744 m²</td>
<td>4,700</td>
<td>Eaton's Sears</td>
<td>85+</td>
</tr>
<tr>
<td>Garden City (1970)</td>
<td>14.47</td>
<td>35,103</td>
<td>3,000</td>
<td>Eaton's Sears</td>
<td>70+</td>
</tr>
<tr>
<td>Unicity (1975)</td>
<td>16.0</td>
<td>40,374</td>
<td>2,000</td>
<td>Bay Woolco</td>
<td>75</td>
</tr>
<tr>
<td>St. Vital (1979)</td>
<td>20.8</td>
<td>56,790</td>
<td>3,500</td>
<td>Eaton's Bay Woolco</td>
<td>100</td>
</tr>
<tr>
<td>Kildonan Place</td>
<td>-</td>
<td>41,808</td>
<td>-</td>
<td>Bay Sears</td>
<td>85</td>
</tr>
</tbody>
</table>

Downtown Malls

<table>
<thead>
<tr>
<th>Downtown Malls</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lombard Place (1969)</td>
<td>-</td>
<td>2,276</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Convention Centre (1974-75)</td>
<td>-</td>
<td>3,716</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Winnipeg Square</td>
<td>-</td>
<td>9,111</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Trizec</td>
<td></td>
<td>(6,224)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Bank of Nova Scotia</td>
<td></td>
<td>(2,307)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- City of Winnipeg</td>
<td></td>
<td>(580)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Eaton Place (1979)</td>
<td>-</td>
<td>17,372</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Sources:

a) City of Winnipeg, Department of Environmental Planning, "Winnipeg's Shopping Centres", Information Winnipeg (June 1979).

b) Personal contact with management offices for malls not covered in (a) and updated ancillary stores/services counts.
suburban shopping malls and provided an improved focus for the downtown.

The planners had an alternative ideal site to suggest should city council wish to place the new facility on the western side of the CBD. This ideal site was bounded by Memorial, Spence, Portage and St. Mary. The planners proposed to reroute the cross-town highway (linking Osborne and Salter) and develop Memorial Boulevard as a green space linking a new city hall and the Legislative Building. The portions of the area not taken up by civic buildings would be developed commercially, including an enclosed retail shopping mall running west of the Hudson's Bay Company store along Portage Avenue. It was projected that redevelopment activity eventually would spread at least to Sherbrook Street.

The Planning Research Centre produced another examination of the downtown as part of the ancillary studies associated with the planning process undertaken by the Metropolitan Corporation of Greater Winnipeg in the 1960s.26 A number of concerns were raised by the authors, including the impact on the retail trade of decentralization of CBD functions. In addition, the authors found that Winnipeg's CBD had spread too far horizontally and that dispersal of facilities within the CBD had isolated them and weakened their impact.

One of the authors' proposals involved creation of weather-
protected shopping facilities by enclosing the lane between Graham and Portage running from Eaton's to the HBC department store.

Other proposals included construction of enclosed walkway systems both above and below ground and a recommendation to increase the amount and density of habitation in the CBD in concert with balanced development of business and service systems.

A study by Reid Crowther of Winnipeg's downtown identified the decentralization of retailing within the downtown as a significant problem. In their view, high volume retailing occurred on Portage Avenue between Eaton's and the HBC while a poorer, more local shopping district was located on Main Street. The consultants recommended that Portage Avenue be designated as the shopping precinct.

They also recommended an active public policy with respect to housing which would provide a continued base for retail trade. They particularly noted the importance of a reasonable volume of high-density middle-income apartment units.

Perhaps based on their projection of a metropolitan population of 780,000 by 1986, the consultants were confident about the strength of downtown retail trade and found an "apparent shortage" of suburban shopping malls.
The official Metro Development Plan issued in 1968\textsuperscript{28} and the subsequent Downtown Winnipeg Plan\textsuperscript{29} identified a number of issues of relevance. The need to have residential development in close proximity to retail, office and open space in downtown, the need to reserve downtown uses for the downtown, the opportunity to create a regional shopping mall on Portage Avenue using existing stores, including the HBC and Eaton's as anchors, and the addition of a weather-protected pedestrian system were all cited in the plans.

A 1975 report by a tri-level task force of federal, provincial and city officials, produced in preparation for a revised official plan for Winnipeg, raised several familiar themes with respect to retail development.\textsuperscript{30} For example, the report noted that the competitive effects of suburban commercial development had led to a relative decline in the CBD's retail and service activity. Most new retail development in the 1960s and early 1970s had occurred outside of the downtown; moreover, the number of single- and two-storey shops in the CBD reflected the diffusion of retail investment in Winnipeg and the difficulty of promoting downtown and suburban retail activity simultaneously.

In terms of its proposals, the task force recommended that the Albert Street area and Portage South be given high priority for policy intervention — the former, to redevelop and restore its historic buildings (including retail); the latter as a retail sector. The task force quite strongly stated that the Portage South
precinct should be retained and enhanced as the primary shopping
district — a place of 'high order' goods, and of variety, diversity
and action. Any additional major retailers locating in Winnipeg
should be encouraged to situate themselves in Portage South, and
efforts should be made to encourage more specialized retail and
service outlets between the major retailers, it was argued.

The task force also supported the concept of a transit mall on
Graham Avenue, with redevelopment along Graham to consist of
ground-floor retail and upper-level commercial/office accommodation.
This area would be the second choice (next to Portage and Main) for
a federal government precinct. Pedestrian arcades and walkways
would link Portage and Graham.

The Portage and Main precinct was also a high priority area for
intervention in the view of the task force. The members explicitly
recommended against a regional retail establishment in this
precinct, however.

The three precincts in the North Portage area were all given
low priority for intervention by the task force. North Portage was
viewed as being unable to compete for primary retailing functions
and no assistance was recommended to overcome this competitive
disadvantage.
III.1.6 Redevelopment Efforts

The latter 1970s saw a marked shift in the locus of concern and policy initiatives in the CBD. North Portage became the new trouble spot -- despite more than a decade of reports which had suggested it had strengths in its variety of retailing and services; its recreation and entertainment facilities; Central Park, which had saved it from the dereliction experienced in South Portage; and its 'natural' evolution to redevelopment. The year 1979 seemed to be the watershed as media stories appeared about the decline and/or neglect of North Portage. This coincided with the opening of the Eaton Place shopping mall in the renovated Eaton's mail order building. A number of North Portage retailers moved into the mall, exacerbating the ground-level vacancies on the north side of Portage and making the intrusion of some controversial video-game arcades even more obvious.

While Eaton Place could not be held responsible for all of the problems, its development was a mixed blessing for the downtown. On one hand, it was a significant new project in a district which had seen very little new retail development except for Lombard Place, Winnipeg Square and the Convention Centre, all of which were outside the main Hudson's Bay to Eaton's retail strip on Portage Avenue. Eaton Place offered an interesting competitive alternative to the suburban shopping centre. But, on the other hand, it drew retailers off of Portage Avenue; moreover, it opened at a time when the
economy was in a prolonged downturn and consumer spending was restrained. Thus, fewer dollars had to be spread among new retailing additions not only in the downtown but also in the suburbs.

One of the groups involved in the effort to raise North Portage onto the public agenda was the Downtown Winnipeg Association. In 1979, a DWA-commissioned report by Damas and Smith Ltd. urged development of three key sites in North Portage. The emphasis was on residential renewal, as well as the establishment of a regional entertainment/recreation complex on Portage Avenue.

The consultants argued that investors clearly preferred South Portage for office and retail development. The disparity in vacancy rates and in the quality and mix of businesses between the two sectors clearly indicated that the south side was a more viable location for business in general, and for retailing in particular. It was possible to arrest the decline that had occurred in North Portage, but economic activity in the sector likely could only be stabilized at a level significantly lower than that previously experienced. In particular, it could not be expected that retailing would be a major activity or that retail outlets could continue to occupy the same extent of North Portage frontage then utilized for that purpose. Thus, planning should be undertaken to determine alternative uses for the space.
The consultants argued that North Portage retailing and services should be aimed at an expanded, local residential market. In addition, a major regional attraction should be developed on Portage Avenue frontage in order to draw Winnipeggers to the downtown, and to consolidate the downtown's role as the city's primary place for amusement and recreation before this advantage also was lost to suburban development.

Retail revitalization of the downtown and adjacent commercial areas became a priority with the establishment of the Core Area Initiative (CAI), operating under the auspices of the federal, provincial and city governments. Two of the CAI program areas have direct inputs into retail activity. A third, the North of Portage Program, has significant potential retail activity but these responsibilities have been assigned to a companion agency, the North Portage Development Corporation.33

The Historic Winnipeg Area development program of the CAI is designed to provide for restoration and conversion to new uses of a nationally significant collection of heritage buildings.

The program includes provision for analysis of a year-round market in the Historic Area as well as conversion of buildings to more intensive uses with retail boutiques constituting a major element.
The second program of relevance is the Neighbourhood Main Streets program. It contains five subprograms oriented to specific locations: Chinatown, Provencher Boulevard, Selkirk Avenue, Osborne Village and a portion of Main Street. The objectives include the following:

- to resist the out-migration of core area purchasing power to suburban commercial centres
- to encourage commercial improvement and expansion to attract suburban residents to core area commercial districts.

The details of this program indicate that a major portion of the 'commercial improvement' is oriented toward retail activities.

While the objectives of both programs are consistent with the well established need to enhance competitiveness, a major risk is that the dispersion of the CBD will be maintained or increased.

The North Portage Development Corporation (NPDC) was formed by its shareholders, the federal, provincial and city governments, to act as developer for the redevelopment of an area bounded by Portage Avenue on the south, Notre Dame on the north, Colony-Balmoral on the west and Hargrave on the east. 34

In the first phase of its activities, the NPDC is focusing on some 46,450 square metres of land (excluding roadways) between
Carlton and Colony, Ellice and the north side of Portage that are to be transferred to, or expropriated on behalf of, the NPDC.

The NPDC is proposing to develop a mall/galleria as a weather-protected public amenity space. The galleria will be built in conjunction with weather-protected connections across Portage Avenue to integrate the retail spaces on the south side, and a 1500-space parking facility.

The NPDC hopes that this investment will stimulate private sector investment for the construction of 18,580 m² of retail space adjacent to the galleria (a net increase of about 10,700 m²). The NPDC notes that a successful retail development would be facilitated by implementation of a merchandising strategy that did not create direct competition with traditional suburban shopping malls.

As noted previously in this section, the concept of creating a major regional shopping facility in the downtown has been a recommendation of planners for at least two decades. Another longstanding recommendation for downtown has been consolidation of the retail district in the South Portage area. The NPDC proposals thus represent an example of the policy trade-offs inherent in redeveloping the CBD — should new initiatives reinforce existing positive trends or attempt to stimulate more broadly based redevelopment at the risk of additional 'destructive' decentralization?
III.2 COMMERCIAL/INSTITUTIONAL DEVELOPMENT

On the surface, the location of the commercial office building precinct seems perhaps to have the greatest role in defining the location of the CBD or downtown. The nature of office space easily conforms to the characteristics of the multi-storey buildings required to utilize high-priced land. Thus, many cities are concerned about controlling the density of office development in their downtown. Indeed, this was a concern of the Winnipeg City Planning Commission in 1911.

Since that time, although most of those pre-World War I buildings still remain in the Notre Dame-Portage-Donald triangle, the major problems with downtown commercial development again have been dispersion of activity over too large an area within downtown and the impact of suburban decentralization. Many of the causes of these tendencies have the same roots as those affecting decentralization of the retail trade.

Commercial and institutional development in the pre-1870 period was limited, as would be expected for a frontier hamlet. One key factor was the competition between the free traders near Point Douglas and the Hudson's Bay Company at the Forks.
III.2.1 Early Decentralization

Following 1870, substantial commercial and institutional development occurred relatively quickly. Competition among the major land holders contributed to highly decentralized development from the beginning.\(^3\)

The Hudson's Bay Company was successful in obtaining the Dominion land office and customs house on its property. The provincial government reserve, obtained from the HBC, subsequently would hold the legislature, court house and military barracks on a site to the southwest of the hamlet where Colony Creek flowed into the Assiniboine River. In 1872, Fort Osborne Barracks opened as the first development on what remains, more than a century later, as the southwest pole of Winnipeg's downtown.

Competing private developers were successful in attracting other public buildings to land north of the HBC's property. City Hall was built at Main and Market on land which had been held by the Ross family. The Winnipeg General Hospital located to the northwest of the built-up area on land donated by the McDermot and Bannatyne families.

While the central business district tended in the early post-Confederation period to reflect a frontier image with only a few substantial buildings, the importance of the area around Portage
and Main, and northward along Main, was evident in the growing commercial domination of land use. Residences were turned into commercial establishments, and inhabitants moved out from the suites above or behind their businesses and into separate residences on nearby streets running west and east of Main. There even was some redevelopment. The first City Hall (built in 1875-76) and Market Square apparently displaced some housing which previously dominated the perimeters of Brown's Creek.36

During 1880 to 1896, the Portage and Main intersection continued to be the focal point of the commercial district. Businesses lined the Main thoroughfare northward well past the City Hall. Land prices were such by 1885 that only businesses could afford to locate on that street.37 The general quality of buildings had improved, and there was a mixture of retail and service outlets. McKenney's former store, for example, was demolished in 1887 to make way for the Western Canada Loan and Savings Company. The Davis Hotel nearby, built originally in 1869 as the Emmerling, was demolished in the early 1890s to make way for the first McIntyre Building.

The business district also moved southward along Main Street from the Portage and Main intersection. There was, for example, the Hudson's Bay Company department store (1881), the Winnipeg Hotel (1881), the Chambers Biscuit Factory (until 1882), the Manitoba Hotel (a luxury facility built by the Northern Pacific Railway at
Main and Water in the early 1890s but destroyed by fire in 1899), and the Cauchon Block (1881-82) which later became the city's first apartment block and then the Empire Hotel.

The Cauchon, for example, was built in anticipation of the Canadian Pacific Railway locating on the Hudson's Bay reserve. It was intended as a combination office and ground-floor retail structure but it opened in early 1883 after the Winnipeg land boom, associated with CPR construction, had ended. Thus, the building did not attract a capacity tenancy. By 1884, it was fully converted to residential use — just a few months before construction was completed on the Westminster apartments at Donald and Ellice. In 1905, the building became the Empire Hotel and subsequently did benefit from proximity to railways and the Union Station.38

A second business precinct developed during this 16-year period as well. It consisted of hotels, agricultural implement firms, the grain trade and financial institutions which established themselves in the Market Square area. The hotels included the Grand Union (1881-1894), the Leland (1883-84) and the Drake (an 1882 building converted to a hotel in 1895). These establishments catered to commercial travellers — agents for American and eastern Canadian manufacturers and wholesalers. Other buildings included the Bawlf Block (1882), A. Harris and Son (1882), the Utility Building (1892, the first home of the Grain Exchange), the Exchange Building (1898, the exchange's second home), and the Massey farm equipment firm
(1885). In addition, a new City Hall was opened in 1886 and a new market building was erected in 1897.

A third key business district to arise during the 1880-1896 era was comprised of wholesale companies. They initially built on the streets east and west of Main — in particular, McDermot, Bannatyne, Princess, Arthur and Albert. On the east side of Main, for example, was the J.H. Ashdown warehouse built in stages on Bannatyne between 1895 and 1911. West of Main Street were the Galt (1887 and 1904), Miller Morse (1887) and Peck (1893-94) buildings on Princess; the Stovel (1893) and Bate (1883 and 1906) buildings on McDermot; the Whitla Block (1896) on Arthur; the Telegraph Building (1882-84) on Albert. One structure, the Bathgate Block (later the Kelly Roberts Building), was built at 242-246 Princess in 1882-83 in the midst of residences. It was another 20 years, however, before the warehouse district engulfed this area. The builder, working in the context of the land boom, had expected otherwise.39

These different precincts have been described as though they were discrete entities. However, it may be argued that they in fact functioned as a whole — the wholesalers supporting the Main Street retailers, the hotels offering accommodation to the wholesalers' business contacts, and the firms involved in various aspects of the grain trade clustered for convenient contact.
Government and Institutional Development

The construction of government and other institutional buildings during this period reinforced early decentralization tendencies. Indeed, the provincial reserve obtained Government House, the first legislature and law courts building, and a provincial goal (later the Juvenile Detention Home) in the 1882-83 period; a second law courts building was built adjacent to the first in 1894. The city built a new court house and jail at King and James to replace its former building on Main near William. As mentioned above, the City Hall also was replaced due to major settling damage to the first building.

A number of educational facilities were built during the period — among them, Wesley Methodist College (1894-96) at Portage and Balmoral, Manitoba College (later St. Paul's College, 1882) on Ellice at the foot of Vaughan, and the first Medical College (1884) on McDermot near Sherbrook (beginning an historic relationship between medical training and the Winnipeg General Hospital, now the Health Sciences Centre).

Several new churches also were erected — including a new Holy Trinity on Donald, a new St. Mary's on St. Mary, First Baptist Church (1894, later Calvary Temple) at Hargrave and Cumberland, All Saints Anglican (1885) near what is now the northeast corner of Broadway and Osborne, and Grace Methodist (1883) at Ellice and Notre
Dame.

The degree of dispersion of CBD activity during this period is noteworthy. Although residential pockets were to remain for many years, CBD activity was spread over most of the area which even today is considered to be 'downtown'.

III.2.2 The 1896-1914 Period

The development of downtown during the pre-World War I period matched the pace of change on the Prairies and effectively set the face of the downtown for the next half-century.

There was a chronic shortage of residential and commercial facilities in Winnipeg despite the extreme pace of construction activity during this period. This shortage, in combination with the higher values of land in and near the central business district, contributed to an increase in the density of new construction, especially in the downtown area. On Main Street, for example, the Union Bank Building (1903-04, later Royal Bank Tower), Confederation Life (1912), Bank of Hamilton (1916-18) and Union Tower (1912) buildings were eight storeys or greater in height — indeed, the Union Tower was 13 storeys. On Portage Avenue, the McArthur (later the Childs, 1909), Paris (1915-1919), Somerset (1906) and Boyd (1912) buildings were all eight storeys or more also, as was Eaton's store. However, both Eaton's and the Paris Building were expanded
from their original five-storey heights through the early addition of extra storeys. Two other tall buildings in the Portage and Main area were the 11-storey Electric Railway Chambers (1913), now the Montreal Trust Building, and the 10-storey Lindsay Building (1911-13), both on Notre Dame Avenue.

In one of those pivotal relocations that seem to mark the ever-changing nature of central business districts, the 1906 move of the Winnipeg Grain Exchange to Lombard and Rorie shifted the focus of the grain and financial sectors of Winnipeg's economy to the Portage and Main intersection from Market Square.

The exchange's relocation drew grain traders, bankers and others along; the establishment of the Winnipeg Stock Exchange in the same building reinforced the trend. According to Parsons, this spatial juxtaposition was necessary given the potential for unstable commodity markets and the need of traders and others to obtain 'knowledge in a hurry' in order to respond to changing conditions. Spatial interaction also had a competitive component to it — thus, all elements of the financial community needed to be at the centre of action.41

Once the grain exchange and associated interests departed, Market Square gradually became a less and less attractive business district.42 Even the agricultural implement suppliers began to leave the area, although the primary reason was the inadequacy of
their facilities and the need to relocate in much larger premises. On the other hand, the Massey-Harris Co. Ltd. remained in the area until the 1940s; the Cockshutt Plow dealer remained until the 1950s. The McLaughlin Carriage Building (1902), built on the site of the Grand Union Hotel which burned in 1894, was occupied by the McLaughlin Motor Car Co. until the firm moved to Maryland Street in 1924. The building became a soup kitchen for transients during the Depression of the 1930s.

This shift marked a cessation to the northward march of the CBD which had started in the 1860s. By 1918, the corner of Portage and Main had been confirmed as the focal point of the business district — a status not to be challenged for 40 years. The Grain Exchange Building sat on the southern edge of Bankers’ Row where more than a dozen grand banking halls, many of them built between 1904 and 1914, lined both sides of Main Street from Portage Avenue north to Bannatyne. There also were various prestigious office blocks — e.g., the McIntyre Block (1898-99), rebuilt after a disastrous fire at 416 Main and housing the "cream" of professional tenants; and the Great-West Life Assurance Co. offices, built at 177 Lombard in 1909-12. The Grain Exchange Building, itself, underwent several additions to meet demand for space — three storeys were added to the original seven; and further additions of seven and three-storeys were built beside the original structure.

In addition to these major office buildings, other commercial
construction took place during this era. Among the city's various 'rows', perhaps the most notorious was Hotel Row. Up to 60 such establishments stretched along Main Street among the retailers, bankers, professionals and other businessmen, and between two prestigious anchors — the CPR's Royal Alexandra Hotel (1904-06) and the Fort Garry Hotel (1911-13) on Broadway near the Union Station.

Not only did these hotels contain bars, but they also had such attractions as poolrooms, slot machines, flicking-card movies and target practice.

It was this area of pickpockets, pool sharks, prostitutes, confidence men, and booze that inspired one writer to suggest that the city deserved to be called 'Winnipeg the Wicked'.

This concentration in part reflected the extent of the transient population in the city — people passing through on the way to other western destinations, or in the city because of its function as an employment exchange.

This also was the period in which Winnipeg gained a number of theatres, including the Pantages (Playhouse, 1913-14), the Walker (Odeon, 1906-07), and the Dominion (1904). A number of theatres were clustered between Portage and Notre Dame, from Donald Street to the east. Another group of theatres were clustered in the Market Square vicinity.
In 1912, a consortium of citizens erected the Industrial Bureau at Main and Water — a multi-purpose convention and entertainment hall which subsequently was taken over by the Board of Trade.\textsuperscript{46}

The warehousing and wholesaling district spread westward as its role in the city's and region's economies expanded. There also was considerable infill activity on streets where previous warehousing establishments had been built, both east and west of Main Street. Another key feature of this period was the number of warehouses which expanded upward. For example, the Hammond Building (1902) had two storeys added in 1905, five in 1907, and one in 1909. The J.H. Ashdown warehouse was built in four stages between 1895 and 1911 reflecting the growth of that firm. The expansion of the warehouse district and the wholesaling function led the CPR to construct its Princess spur to the area in 1904.

Light industries were scattered throughout the warehouse precinct and other areas of the downtown, while medium industries tended to concentrate on Alexander and Henry, west of Main Street. In 1909, an area in the western part of the city, bounded by Erin, Wall, Portage and Notre Dame, was set aside for commercial and industrial purposes. A CPR spur was built to the area in 1911. Heavy industry began to move westward in proximity to the CPR tracks (e.g., along Logan and Saskatchewan avenues). Those facilities established in Point Douglas tended to remain there, reflecting the benefits of the location and their large capital investments in the
area.\textsuperscript{47}

Public Sector and Institutional Development

The pre-war period also was marked by some major public sector projects. The province, for example, began to erect a new Legislative Building in 1912; its other projects included a new Land Titles Office (1903-04) and Law Courts Building (1912-16), all on the government reserve. The Dominion government built two new post offices — the first at Main and McDermot; the second in 1908 on Portage between Garry and Fort. A customs examining warehouse (1908) was built on McDermot and a new Immigration Building (1904-05) on Maple Street, north of Higgins. Civic undertakings included the Carnegie Library (1903-05) on William, a high pressure pumping station on James (1908), and a hydro-electric substation on King Street (1910-11).

This also was the period when the roots of two longstanding controversies about the location of public sector projects took hold. Resolution of these would affect the shape and nature of the downtown.

One controversy, which would not be settled until the 1960s, concerned the site of a proposed new city hall. A by-law to build such a facility had been defeated in 1911, but city council pursued the issue. In 1913, a commission appointed to propose a planning
scheme for Winnipeg recommended to council that a civic centre be built north of the new Legislative Building and be linked to it by a mall/plaza complex. The proposal was put aside during the First World War, but became part of a simmering debate in the 1920s. This debate also included the proposals of the Hudson's Bay Company for a new store in the area, the proposed siting of a cross-town highway, and the fate of the University of Manitoba's Broadway campus.48

That campus, established in 1899-1901 in what is now Memorial Park, was embroiled in controversy of its own. The university began in 1877 as a degree-granting institution only; all teaching was done by affiliated church colleges. However, the university gradually became a teaching institution as well and eventually was offered a government land grant of 2.7 hectares north of the legislative grounds on what was called the old driving park, an area used as a race course and athletic field. However, the university's expanding functions soon began to outgrow the site; in 1910, the institution accepted an offer from the Tuxedo Park Company for 60.7 hectares of land near Assiniboine Park. The provincial government, however, wanted the university to continue on the Broadway site. The deadlock was not settled until 1930-32 when the university obtained land and facilities at its current Fort Garry site.49 It continued to use the Broadway campus for some time as well.

Some of the arguments used during the debate over the university's site were interesting in the perceptions they reflected...
about the relative merits of a downtown versus suburban location. One group favored the accessibility of the Broadway campus since...

...the Government had promised to expropriate additional land, whereas in some of the larger universities of the United States...buildings on the sky-scraper plan are being erected and ground space economized, and where the city public can easily get the benefit of the extension courses and popular lectures which modern universities offer. Against these arguments were the opinions expressed with equal vigour of those who contended that the prime requisites of a worthy site were ample spaciousness where there was pure air, room for the artistic arrangement and proper display of fine architecture and where there could be playing fields for educating the bodies as well as the minds of youth. These advocates thought that modern methods of rapid transportation made a few miles of distance a negligible factor. 50

There were some other examples of institutional decentralization during this era as well. For example, the Manitoba Agricultural College opened in 1906 on a Tuxedo site. When it moved to Fort Garry in 1913, some buildings were taken over by the School for the Deaf; others were used by the military during the war; the whole site eventually was taken over by the military when Fort Osborne Barracks on Broadway had to make way for the new Legislative Building.

New hospitals developed in the western and southern sectors of the city — Grace Hospital on Arlington Street (1906), the Misericordia (then a maternity hospital) on Cornish (1898), Victoria General (1911) on River, and the King Edward (1912) and King George (1914) in Fort Rouge.
Also during the period, a new Medical College and a Normal School were built in 1906. A second YMCA was built on Vaughan in 1912; construction began on the YWCA on Ellice in 1908.

Planning Commission Diagnosis

It was in the context of this tremendous commercial investment that the Winnipeg City Planning Commission of 1911-13 issued its report. Its work was unfortunately overtaken by the First World War.51

The commission predicated its work on the basis that a city planning scheme should have three main objectives: health, convenience and beauty. However, it found that there were serious defects in the city's existing conditions and that there were dangerous tendencies which had to be checked. Its physical plan committee argued:

The development of this City, and practically every other Canadian City is too haphazard; there is no comprehensive scheme for the City as a whole — no master hand to work out such a scheme, and under our system of municipal government, with its ward politics and lack of continuity, we cannot hope for anything but haphazard development with all its consequent evils....

Our City needs such a well thought out plan and our finances demand that the utmost value be obtained from every dollar spent. If the heavy and unnecessary expenditure which older cities are faced with is to be
avoided, the City must without delay have courage to look into the future and must have in mind Winnipeg as one of the world's largest cities.\textsuperscript{52}

Thus, in addition to health, convenience and beauty, it would appear the commission was oriented to accommodating growth — but growth within the context of a plan that would ensure development was carried out in the right place and the right way to avoid waste.

In terms of commercial development in the downtown area, the commission was concerned about a lack of parks and small squares; about congestion in the Notre Dame-Portage-Donald triangle because of the erection of large office buildings which, the commission said, were too high for the width of narrow streets and thus attracted a disproportionate number of people; and about aesthetic considerations such as architectural design and control of advertising signs. The commission's aesthetic development committee urged strict enforcement of height restrictions on downtown structures to one-and-half times the width of the streets faced by the buildings.

The commission's report also contained the grand scheme to link a proposed new city hall, to be built on the Manitoba College site on Ellice Avenue, with the new Manitoba legislature under construction on Broadway. In-between would be a mall or plaza formed by widening Vaughan Street to 41 metres and containing a library, art gallery, auditorium and other public buildings. The project was to occur in conjunction with development of a cross-town
highway linking Pembina, Osborne, Colony, Balmoral, Isabel and Salter. The existing City Hall and Market Square west of Main Street were to be converted to a public square. In addition, it was proposed that the plaza project be the responsibility of a commission which could control the overall character and location of construction.

This scheme was of particular significance partly because it represented one of what would be various subsequent proposals for grand, show-piece projects in Winnipeg's downtown. In addition, the idea of a commission to control project development would be reincarnated in later years in the form of a development corporation for downtown Winnipeg, and the concept of a government or institutional precinct — based on the foundation of the provincial reserve carved out of the HBC reserve following 1870 — would persist in future plans.

In summary, then, the pre-First World War period was marked by extremely rapid population, economic and physical expansion in Winnipeg. In the decade between 1904 and 1914, the city's patterns of settlement, the nature of its economy, its land uses and its skyline essentially were set.

The period ended in a pessimistic context, however, as a recession in 1913-14 cut sharply into real estate and building activity, among other sectors of the economy. At least six
planned office buildings, four of which were to be 12 storeys or greater in height, were scrapped and a promised new Hudson's Bay store did not appear. The Union Trust Company's tower and the Lindsay Building were among office complexes which had difficulty gaining a full tenancy because they came on stream as the boom of the previous years was beginning to wane.

III.2.3 The 1915-1945 Period

The 1915-45 period was a diverse one in terms of commercial and industrial building in the downtown. This period saw the appearance of the Curry Building (1915); the Eaton's mail order facility on Graham (1916); the Medical Arts (1922) and Winnipeg Clinic (1942) buildings; the Federal Building at Main and Water (1935-38) constructed as a relief project and displacing the Industrial Bureau's exhibition hall; some new downtown theatres; additional Eaton's facilities; the Hamilton Building (1916-18), the last of the grand banking halls built on Main Street; and the Savings Bank annex to the Royal Bank (Union Bank) Building, erected in 1921.

There also were some significant additions and renovations during the period. For example, the Paris Building, Grain Exchange Building and Portage Avenue post office all received major additions, as did the Bank of Nova Scotia at Portage and Garry. The Coronation Building, constructed in 1883 on King Street, was gradually taken over by Chinese businessmen in the 1920s to become a focal point of
Winnipeg's Chinatown. The 1894 Law Courts Building was remodelled in 1938 to accommodate the Manitoba Law School and Winnipeg School of Art. During World War II, the McClary Manufacturing Building at 185-87 Bannatyne was converted from warehouse to office functions to accommodate the need for new space. As well, the central immigration hall and Robinson department store were converted to military uses during the war. The former Ashdown house on Broadway became the Adanac Club after it was sold by the family in 1908; after World War I, it was converted to a Music and Arts Building; in 1945, St. John's College purchased the building for its use.

These development did not match the pace of the earlier period. Not only did the war efforts and Depression impede development, but Winnipeg had lost its key position as the premier centre in western Canada. As a result, the available capital was allocated among a greater number of communities and Winnipeg's share was reduced.

Even though the level of commercial construction had lessened, the dispersion of the commercial buildings continued during the 1915-45 period. Among other influences, the Hudson's Bay store at Portage and Memorial attracted additional development to that part of the downtown. For example, the Power Building was erected across from the HBC on Vaughan in 1928; also that year, the Sterling Building was constructed at the northeast corner of Portage and Vaughan. The Mall Hotel was built at Portage and Colony in 1939. The Civic Auditorium was erected in 1932 as a government relief
Located on St. Mary behind the HBC, this facility housed the art gallery and museum as well as attracting many of the important entertainment functions and political rallies held in the city. It thus was a locus of considerable community activity, especially during the evenings, in this part of the downtown.

A further influence on the tendency of dispersion was the fact that several large projects occurred just outside the fringe of the downtown. The Canadian National Institute for the Blind, for example, built an important facility at Portage and Sherburn in 1926; the following year, the Salvation Army's territorial training college at Portage and Dominion was completed. During the Depression, this latter building was taken over by the RCMP. On Academy Road, the Uptown theatre, seating more than 1,600 persons, was built in 1931. This marked a significant regional entertainment facility entering a rather prominent residential district (River Heights).

Moreover, as indicated earlier, the downtown lost two major activity generators during the period under review. One was the removal of the Osborne Barracks to accommodate the new Legislative Building; the other, beginning in the 1930s, was the relocation of the University of Manitoba to Fort Garry. The university's junior division remained on the Broadway site until the early 1950s when the buildings were taken over for provincial government offices. However, the structures were deteriorating (some had been built as temporary facilities only, using materials dismantled from the first
legislative building and from the barracks). St. John's College followed the university to the Fort Garry campus in the late 1950s; St. Paul's College relocated from its downtown site in the early 1960s.

Artibise suggests these university moves were significant steps in the integration of Winnipeg and its surrounding municipalities. However, they also meant the removal of significant daytime and evening uses of downtown facilities. Continued diffusion of educational functions, government offices, major retailing facilities, and other land uses to areas outside of the CBD would become a significant factor in the apparent decline of the downtown in the 1960s to 1980s.

Another major factor concerning downtown development during the 1915-45 period was that a number of new projects, such as the new Legislative Building delayed by World War I, were held in abeyance.

One of the more interesting projects which did not materialize was a planned 17-storey Richardson office building. James A. Richardson had purchased the northeast corner of Portage and Main for this project in 1928. The existing buildings were demolished the following year and excavation work begun. However, with the stock market crash and subsequent Depression, the project was cancelled. The excavation was filled in and an auto service station was built on the site. It would be the mid 1960s before the Richardson interests
could realize their plans — this time, an expanded version encompassing a much larger redevelopment of the block between Main, Portage East and Lombard.\textsuperscript{55}

An additional factor was that some new buildings completed during this period had difficulty establishing a firm economic foothold. An example of the latter was the Olympia (later Marlborough) Hotel which was forced to close shortly after its first opening in 1914. During the First World War, it was used to house troops. Afterward, it was completed and refurnished, and a large wing was added in 1921. However, the owners experienced financial difficulty and the hotel lay vacant until 1923 when it reopened under new proprietors.\textsuperscript{56}

A further characteristic of the 1915-45 period was the increase in vacancies which accompanied the difficulties that beset the wholesale sector of the downtown economy. Some of these vacancies were occupied by an expanding garment industry; but changes within the structure of wholesale/warehousing functions, coupled with a growing obsolescence of the buildings in the warehouse district east and west of Main Street, would leave a legacy of large, inefficiently-used or abandoned buildings in this part of the downtown.

By the end of the 1915-45 period, there were at least three clear signs of troubled times for the CBD and the downtown.
One of these was the recognition that the physical facilities of the CBD, including buildings and the street system, were aging and becoming obsolete. In addition, an absence of zoning control over development of the area had contributed to an intermingling of often incompatible land uses, to the point where complete, co-ordinated renewal was considered the only option if the residential component of the downtown was to be restored satisfactorily. 57

The second sign was the realization that the tight post-war housing situation — combined with past neglect of housing rehabilitation, pent-up demand, increasing incomes, an increasing population and war savings — would manifest itself in a diffusion of settlement in the Winnipeg region. The land was available and subdivided; increasing use of the private car and improvements in the transit system (including adoption of more mobile motor buses to supplement the streetcars and trolley buses) facilitated travel over greater distances; and places of employment already were showing a tendency to suburbanization which, in turn, would encourage new residential areas to locate nearby. While some decentralization of settlement and economic activities was considered desirable and necessary, there were clear concerns about 'destructive' decentralization which would diffuse the essential functions of the central core and develop areas which would compete with Winnipeg's CBD. 58
The third sign was the emphasis in the immediate post-war period on means to accommodate the pent-up demand, the new population and economic growth, and the increasing reliance on the private car for personal mobility and business travel. Despite the concern about the potential effects of decentralization on the CBD, then, the actions of both the private and public sectors served to facilitate outward dispersal of the population and of economic activity. In addition, this was done in the absence of any overall plan for the region.

III.2.4 Post-World War II Period

In the period since World War II, macro economic issues have continued to dominate commercial developments in Winnipeg's CBD. As in the previous period, the macro influences in post-war Winnipeg largely contributed to an accelerated decline in stature for the CBD. Suburban development pressures served to increase the impact of the macro tendencies.

On one hand, Winnipeg has been buffeted by the broader economic, technological, demographic and political changes that affected other Canadian urban centres in the post-1945 period.

On the other hand, the city has been subject to some particular synergistic effects resulting from the interplay of macro forces with Winnipeg's historical roles and development patterns. For example, the city has become a slow-growth centre reflecting shifts in
regional economic power as well as national and provincial factors. In particular, economic developments in provinces to the west of Manitoba no longer offered, from the mid 1950s onward, the same economic spin-offs for Winnipeg as they had in the past. Transitions in the agricultural economy, manufacturing and transportation also have had significant impact — not only on the kinds and levels of activity undertaken in Winnipeg, but also on where in the city such activity would be located.

In terms of physical development of the urban structure, the contemporary period of relatively slow growth and technological change has had at least three implications:

1. The economic context has imposed limitations on the extent to which identified physical problems might be addressed, and heightened the importance of making strategic choices as to how resources are to be allocated to new development and/or renewal. Winnipeg has some extensive areas identified as in need of redevelopment and/or rehabilitation. Yet, in the 1950s and 1960s, most private and public sector resources were allocated instead to new suburban development. In recent years, especially with the publication of Downtown Winnipeg in 1969, concern has been redirected to the inner city. Several hundred million dollars have been allocated to downtown renewal; residential redevelopment or rehabilitation in the CBD frame; and programs such as the Core Area Initiative and North Portage Development Corporation. But these
commitments and projects encompassed only a fraction of the geographic area identified as in need. Moreover, by concentrating a major portion of resources on areas which appeared to have deteriorated the most, fewer resources remained for stabilization of adjoining districts.

(2) The contemporary context has removed pressure on planners and policy-makers to quickly respond to rapid population and/or economic growth, possibly with decisions which would not be in the long-term interest of optimal physical development of the urban structure. At the same time, in the absence of significant growth, it may be difficult to redirect a sufficient 'critical mass' of residents and investment in order to achieve downtown renewal.

(3) Recent plans for renewal have exhibited a marked orientation to infrastructure development which was common to the plans of the 1950s and 1960s as well. Yet, these investments in physical plant will last well into the 21st century, a period during which technological changes in communications, transportation and other sectors may have far-reaching ramifications for social and economic organization. Thus, current and future resources are being committed to perpetuation of an infrastructure which may well be obsolete long before its physical life has peaked.

The changes in Winnipeg's economic structure and influence, which have continued since World War II, have severely influenced the
commercial development of the CBD. The banking, trading and general
commerce aspects of Winnipeg's economy which created Bankers' Row,
for instance, have become relatively less important.

One result is that total downtown employment has remained
virtually at the same level, although there have been shifts among
various categories which make up that total. In contrast, between
1962 and 1976, some 67,000 new jobs were created in the Winnipeg
region. As a result, the downtown's share of Winnipeg's employment
dropped from 39.5 per cent in 1962 to 27 per cent in 1976. It was
expected to stabilize around the latter level to the 1990s. A
second result has been a tendency to narrow the economic base of the
downtown to concentrate more on services, retailing, office functions
and government functions.

There were new developments during this period but even those
which tended to reinforce existing land-use patterns failed to
contribute to the overall progress of the CBD. In part, this impact
occurred because new developments tended to increase the density at a
particular location thus creating a localized positive impact which
could not offset a more widely spread negative impact.

The Richardson Building (32 storeys), the Commodity Exchange
Tower (31 storeys), the Royal Bank Building (17 storeys) and the new
regional office of the Bank of Montreal (25 storeys), all at Portage
and Main, are prime examples of this phenomenon. The new Kensington
Building (18 storeys) and the Bank of Montreal Building at Portage and Hargrave (17 storeys) are other examples.

The tendency to disperse commercial facilities broadly around the downtown continued in the post-1945 period. The federal government's activities in this regard are an interesting illustration. The Revenue Building (1959) on York Avenue, adjacent to the province's Norquay Building (1960), helped consolidate the government precinct in the southwest corner of the CBD. Virtually simultaneously, however, the federal government constructed the MacDonald Building (1961) on Ellice, contributing to the spread of CBD functions. Construction of the Post Office on Graham (1957) as well as the Canadian Wheat Board (1962), the Bank of Canada (1971) and the Canadian Grain Commission (1973), all near Portage and Main, can be justified by a need to be adjacent to the grain and banking industries. As well, a federal precinct existed in the Portage and Main area from previous development. However, the Canadian Broadcasting Corporation complex (1952-65), developed on Portage Avenue west of the University of Winnipeg, would not seem to have a similar justification for spreading development west on Portage Avenue. Similar questions can be raised concerning the recent construction of the Air Canada building at Ellice and Carlton, and the National Research Council facility at Ellice and Kennedy.

There was a marked tendency for the CBD to shift south and west during the post-1945 period. To the south a new financial, in
particular insurance, district developed on Broadway. This was associated with construction of the Midtown Bridge and zoning changes. The Investors Building was one of the early arrivals; it was constructed in 1956 and enlarged in the early 1960s. Monarch Life followed (1959-63) as did a series of smaller office buildings constructed by the MEPC group. Great-West Life, which had its own building (now the Chamber of Commerce Building) on Lombard and had taken over most of the Union Tower Building as well, opened a new facility across from the legislature at Broadway and Osborne in 1959. This replaced an amphitheatre and hockey arena built originally in 1909 to house the Winnipeg Horse Show. Great-West subsequently redeveloped more of the site, erecting a second office building in the early 1980s. Imperial Broadway Towers, Manulife House and the Wawanesa Building were among others constructed on Broadway. In addition, at least two new projects were planned as of early 1984.

The redevelopment of Broadway capitalized on the area's environmental attractiveness. However, it did not draw the major chartered banks away from Portage and Main where both the Bank of Montreal and Bank of Nova Scotia undertook new construction. The Bank of Montreal also allocated more than $1 million to the restoration of its earlier building at the intersection; and the Canadian Imperial Bank of Commerce moved into the Richardson Building. In addition, the Toronto-Dominion Bank (which built at Portage and Notre Dame in 1952 as the Bank of Toronto) and Canadian Pacific's Marathon Realty have plans to redevelop the northwest
corner of Portage and Main.61

The Broadway insurance precinct is already in the transition stage as a consolidation of insurance operations takes place. This factor, in conjunction with a number of other relocations, has led to a substantial provincial government presence along Broadway — particularly in buildings in proximity to the Legislative Building.

Another element of the southward movement of the CBD has been the development which occurred since the late 1960s south of Graham Avenue, primarily on St. Mary and York. This area was pinpointed as a key development zone in the 1969 downtown plan by the Metropolitan Corporation of Greater Winnipeg. A new convention centre, two hotel projects and a dozen major privately funded office projects have been constructed in the area. If any area of the CBD has appeared to be 'on the move' in the last 15 years, it is largely this area.

A westward shift of the CBD has included the Mall Centre hotel, office and bus depot complex, Colony Square, the Winnipeg Art Gallery, the Union Centre and the Workers' Compensation Board. Along Broadway, the previously mentioned Great-West Life development between Osborne and Balmoral represents a significant impetus to further westward movement.

Development along Portage Avenue to the west confirms the movement inaugurated by the HBC's department store in 1926 and given new impetus by construction during the 1960s of the Toronto-Dominion
Bank at Portage and Kennedy and the Canada Permanent Building at Portage and Vaughan. The North Portage Development Corporation is attempting to give further impetus to westward development in its proposals released in early 1984.

Large-scale commercial office development has not occurred in suburban areas. In 1966, almost 86 percent of the Winnipeg region's total non-government office space was in the CBD. As of 1975, that proportion was 80 per cent. However, government and non-government office development has occurred outside of the CBD, much of it in low or medium-density buildings. In addition, there is at least one large-scale office park planned west of Polo Park — although only the Canadian Indemnity offices had materialized as of early 1984. There also have been indications that land costs, congestion and other factors, which have encouraged other types of business to leave the CBD, may be affecting office development. Winnipeg's first office condominium, for example, was built just outside of the CBD partly to avoid parking and congestion problems of the downtown.

**Renovations and Conversions**

Two other interesting aspects of commercial development in the CBD are: (1) renovation, restoration and conversion of old buildings and (2) the demolition of older buildings.

As buildings age, both physical and economic obsolescence
occurs. The rate of physical obsolescence is a function of the quality of the building while economic obsolescence will depend on surrounding land uses, physical obsolescence and the internal flexibility of the building.

A number of the major buildings constructed during and after the 1901-11 boom were built of high-quality materials by architects of national stature. These buildings remain physically sound today but are economically obsolete. Their obsolescence in some cases will have occurred up to a decade or two ago. However, because of the lack of redevelopment pressure over the last two decades, many of these buildings have been at least retained, if not maintained, at a low commercial level.

Recent inflationary pressures and changes in attitude have shifted the balance of economic viability on many of these buildings to the point where renovation can be considered. The Bank of Montreal, the Curry Building, the Commercial and Insurance Building at Smith and Portage, the Royal Tower (Union Bank Building), the Power Building and Eaton Place are a few examples of buildings renovated by the private sector to return them to prime office space configuration.

The public sector also has been active with the city renovating the Hamilton Building, Parks Canada renovating the Confederation Life Building and the province renovating the Winnipeg Auditorium.
Under the Core Area Initiative, incentives are available for the conversion of obsolescent warehouse space to more intense uses, including office and commercial space.

Not all buildings in Winnipeg have escaped the twin perils of physical and economic obsolescence. In fact, the pace of demolition has created some concern. The same lack of pressure for redevelopment that saved some buildings has meant that demolition perpetuated the existence of undeveloped properties and surface parking lots in the CBD. Despite new construction, the amount of vacant land in the CBD hovered in the 22 to 23 hectare area during the 1970s. On a second level, a number of longstanding landmarks were lost to demolition or to fire — e.g., the CP's Royal Alexandra Hotel, Grace United Church, the Empire Hotel, Fort Garry Court, the Time and old Kensington buildings, the federal Immigration Building, the Alexandria Block, the Crown Trust Building and the old St. Stephen's-Broadway United Church. The St. Paul's College demolition in 1964 left a key piece of property vacant in the North Portage precinct. The Ashdown house, Van Kirk Gardens and other facilities on Broadway made way for the office towers constructed on that street.

City by-laws passed in 1977 and 1978 provide for the designation of historic buildings to prevent their demolition and for protection of the historic warehouse district. However, some of the buildings
which are protected have been left vacant given the apparent absence of suitable alternative uses for them.

III.3 INDUSTRIAL DEVELOPMENT

The pattern of industrial development in Winnipeg's downtown has many of the same characteristics of the pattern of commercial development. Dramatic locational shifts have occurred as well as continued obsolescence of facilities. The problem of intrusion into residential areas has been severe; while the task of conversion or rehabilitation of obsolete facilities has not been undertaken on a broad scale.

In the pre-Confederation era, industrial development focussed on the needs of the Hudson's Bay Company and the few local settlers in the area. Grist mills and saw mills together with cartwrights for the Red River carts were the primary industrial concerns. The importance of waterways tended to encourage industrial development along or adjacent to the rivers.

Following Confederation and prior to the CPR boom of the 1880s, the economy diversified and became export oriented. The first shipment of wheat outside the province occurred in 1879. The industrial base expanded to include blacksmiths' shops; carriage, wagon and harness makers; printing offices; planing mills; and at least two new flour mills. Two breweries began in the 1870s —
Drewry's in 1877 near the present Redwood Bridge north of the Point Douglas area and in 1873 a brewery on Colony Creek just outside of the HBC reserve.66

Both of these breweries lay at the edge of the early boundaries of Winnipeg and helped to initiate the pattern of industrial dispersion. The balance of the early industrial development occurred between Main Street and the Red River, just north of the HBC reserve on lands held by Bannatyne and McDermot as well as on land held by the HBC. Point Douglas was not yet industrialized but was a prime residential area.

Winnipeg's industrial base expanded and diversified during the 1880-1896 period. Ogilvie Flour Mill located in Point Douglas in 1881 with a multi-year municipal tax exemption; the CPR workshops began operating in 1882-83, forming the city's largest industry; the Vulcan Iron Company developed into a significant business; the clothing industry established a foundation in the city; the processing of agricultural products, foundries and metal works, and other heavy and medium industries also were established.67 Overall, the number of manufacturing firms grew from 106 to 307 between 1881 and 1891; the value of their production went from $1.7 million to $5.6 million; and they employed 2,359 workers as compared to 950 at the start of the period.68

The primary industrial area of Winnipeg during this period
moved away from the waterfront to locations adjacent to the CPR line, partially displacing residential and other land uses — for instance, in Point Douglas. A second locational impact of the arrival of the CPR was the stimulation of industrial development in St. Boniface. This took place on the basis of lower land values and taxes relative to Winnipeg.69

During the 1896-1914 period, the railways continued to drive the industrial development of the city. In 1898, formation of the Canadian Northern Railway marked the start of Canada's second transcontinental rail network. Canadian Northern's activities were supported by the Manitoba government and, coupled with the joint projects of the Dominion government and the Grand Trunk/Grand Trunk Pacific organization, eventually would result in Winnipeg becoming the only major Prairie city on the main lines of both transcontinental railways.70

As a result, an extensive expansion of railway facilities occurred. The Fort Rouge shops of Canadian Northern were established in 1904-05; while the Union Station and yards at the Forks were established by the Canadian Northern and Grand Trunk in the first decade of the 1900s.

The railways assisted in the dispersal of industrial activity as Grand Trunk established the Transcona Shops in 1912 and the CPR built a major addition to their facilities in 1903 with the Weston
shops and yard between McPhillips and Keewatin at the northwest corner of the city's boundaries.

Other rail facilities included the Midland Railway line and freight sheds established along Ross Avenue in 1910-12. In all, by 1911 Winnipeg had 24 railway lines radiating out from the city.\(^71\)

The population growth that accompanied the settlement boom of the 1901-11 period stimulated other industrial activities as well. Agricultural processing diversified into a wider range of natural resources. The apparel industry developed rapidly and by 1912 there were 19 firms in operation in this industry. Vulcan Iron Works continued to expand and the metal fabricating sector received a significant boost with the establishment of the Dominion Bridge Company operation adjacent to the CP yards in 1906. In all, the manufacturing work-force increased from 3155 to 11,705 persons and the value of products went from $8.6 million to $32.7 million during 1901-11.\(^72\)

These kinds of developments were encouraged by industrial incentives offered by the city, including low property taxes. Bellan notes that at one point:

The Council considered the purchase of a large tract of land in the city in order to sell sites at low prices to industrialists who wished to establish local plants. The Council as well debated the advisability of abolishing the
business tax, and relaxing regulations such as the smoke by-laws. (One Winnipeg manufacturer had moved to St. Boniface because he had obtained a cheaper site and would not be troubled by a smoke by-law.)

Locational trends for industrial development were becoming well established by the middle of the first decade of the 20th century. St. Boniface, incorporated in 1908, had a significant industrial base including flour milling and meat packing. The downtown and warehouse district of Winnipeg had a scattering of light industries; medium industries were concentrated on Alexander and Henry west of Main Street. Heavy industry concentrated along Logan and Saskatchewan Avenues adjacent to the CPR tracks. Point Douglas remained a significant industrial area.

In a move that presaged the formation of industrial parks, an area in the western part of the city was set aside in 1909 for commercial and industrial purposes. The area — bounded by Erin, Wall, Portage and Notre Dame — was serviced by a CPR spur line in 1911, and continues today to house industrial facilities.

During the period from 1914 to 1945, industrial development continued to decentralize from the downtown core. A malting plant located in Transcona in the 1920s. Two explosives plants were constructed in suburban areas as well. CIL built in East Selkirk in 1934 while during World War II a cordite plant was built in Transcona.
The industrial sector in the core area became less and less viable as the period progressed. On one hand, the garment industry was given some impetus as space became available in the warehouse district due to changes in wholesale distribution patterns and storage/transportation technologies. On the other hand, improvements in road transportation reduced the dependency of manufacturers on rail transport which, in turn, expanded their locational flexibility.

A major impetus to suburban industrial expansion was the introduction of new industries in the mix—particularly the aircraft-related industries associated with Stevenson Field in St. James. The Richardson interests formed Western Canada Airways in 1926; in the 1930s, Winnipeg was established as the main base of Trans-Canada Air Lines. This area received a further boost by expansion of Stevenson Field during World War II as a major base in the Commonwealth Air Training Program. In 1944, Canadian Pacific Airlines (the successor to Western Canada Airways) established a major overhaul base at Stevenson Field.

An event that severely influenced industrial development during the post-war era had its roots in the Depression years. During the Depression, all municipalities in the Winnipeg area acquired extensive land holdings through tax default. Overall by 1945, the area of forfeited land was equivalent to 87 per cent of the
developed area of the metropolitan region. Faced with the need to acquire revenue from these holdings, the municipalities developed various plans for disposal. The City of Winnipeg's Inkster industrial park, for instance, is located on tax-forfeited lands.

The 1945-84 period has witnessed a continued shift of industrial activity to the suburbs. Additional industrial parks have been created: Murray Park, west of the airport, Fort Garry industrial park along Waverley and St. Boniface industrial park.

The railway operations of the CNR essentially have left the Forks and Fort Rouge, although Via Rail is returning to Fort Rouge to construct a passenger car facility. The CN car shops and marshalling yards are concentrated in Transcona and St. Bonface, while the CN inter-modal terminal is in Tuxedo.

The garment industry still has a major presence in the CBD although many firms are relocating to suburban industrial parks or amalgamating operations in other cities. Many of the remaining operations in the CBD tend to be low wage, low productivity operations based on low mark-ups.

The Core Area Initiative has attempted to revitalize manufacturing operations in the Logan area adjacent to the CPR yards. The initial proposal was to construct a 12-hectare industrial park by acquiring, clearing and redeveloping a 'blighted'
neighbourhood of mixed residential and industrial sites. The industrial park was to be oriented towards high-technology firms.

Following significant controversy, the plan was revised to create an industrial area of about 3.2 hectares, together with a housing precinct and a local business precinct. The marketing of industrial sites in the area was just beginning in 1984 and the level of success is yet unknown.

Among industries still operating in the core area is the brewing industry. Carling O'Keefe Breweries operates at approximately the site of the Drewry facility near the Redwood Bridge. Brewery operations first established at Colony Creek (Osborne and Broadway) in the 1870s continued in that vicinity until the late 1960s; warehouse and retail functions remained until the mid 1970s prior to relocation to Brooklands. Molson Brewery continues to operate a third brewery at a core area location (Notre Dame and Furby).

In summary, the industrial development of Winnipeg has been decentralizing for decades. The problem has been that as industrial areas became obsolete, redevelopment pressure has been lacking. For instance, the CN East Yards at the Forks, the Point Douglas area and the CP yards all likely would have been redeveloped to industrial or non-industrial uses had there been some development pressure.
Industrial locations are particularly sensitive to transportation technology. Thus, we see a shift of prime sites from the waterfront, to the CPR yards precincts, to the suburban truck route precincts and the airport precinct. The key factor is to find a successor land use following a shift of location. To leave the land idle or underutilized leads to the precipitation of decay and decline.
Notes

Abbreviation used in the footnotes:

MPC/WTPC - Metropolitan Planning Committee and Winnipeg Town Planning Commission

1. MPC/WTPC, Preliminary Report on Central Business District, No. 8 of Master Plan Reports (Winnipeg: The authors, 1948), 12, 15.


17. City of Winnipeg, Department of Environmental Planning, "Winnipeg's Shopping Centres," Information Winnipeg (Winnipeg: The authors, June 1979).


20. Metropolitan Corporation of Greater Winnipeg, Planning Division, Downtown Winnipeg (Winnipeg: The authors, April 1969), 7.


22. Reid, Crowther and Partners Ltd., A Market Analysis for Metropolitan Winnipeg (Winnipeg: The authors, April 1967), 21, 37-38, 69-70, 74.


24. City of Winnipeg, Department of Environmental Planning, "Winnipeg's Shopping Centres."

25. University of Manitoba, School of Architecture, Planning Research Centre, Analysis and Evaluation of Proposed Sites for the Winnipeg City Hall, for the Special Committee on the New City Hall (Winnipeg: The authors, February 13, 1961).


27. Reid Crowther and Partners Ltd., A Market Analysis for Metropolitan Winnipeg.

29. Metropolitan Corporation of Greater Winnipeg, Downtown Winnipeg.

30. Winnipeg Tri-Level Task Force on Downtown, Winnipeg Tri-Level Task Force Report on Downtown (draft copy), L. Vopnfjord, chairman (Winnipeg: The authors, September 1975).


32. Damas and Smith Ltd., Winnipeg Downtown and Portage Avenue Study (Winnipeg: The authors, January 1979).

33. Winnipeg Core Area Initiative Policy Committee, Proposed Winnipeg Core Area Initiative (Winnipeg: The authors, June 1981).

34. North Portage Development Corporation, Final Concept and Financial Plan for North Portage Redevelopment (Winnipeg: The authors, March 26, 1984).


43. Spector, Monuments to Finance.


46. E. Paterson, Winnipeg 100 (Winnipeg: Winnipeg Free Press, 1973), 94.


50. Ibid., 44-45.


52. Ibid., 259.

53. Bellan, Winnipeg First Century, 123.

54. Artibise, Winnipeg: An Illustrated History, 133.

55. Bellan, Winnipeg First Century, 202-03.

56. Ibid., 135, 158, 162.


59. City of Winnipeg, Department of Environmental Planning, Development Plan Branch, Plan Winnipeg: Environmental Planning Component (draft) (Winnipeg: The authors, July 1980), 6.33.


62. Damas and Smith Ltd., Winnipeg Downtown, 8.


64. "Number Five Donald," Investment West (October 1980), 1, 2, 5.

65. Damas and Smith Ltd., Winnipeg Downtown, 19.


68. Artibise, Winnipeg: An Illustrated History, Table 1, 199.


71. Bellan, Winnipeg First Century, 100.

72. Artibise, Winnipeg: An Illustrated History, Table 1, 199.

73. Bellan, Winnipeg First Century, Footnote #15, 115.


75. MPC/WTPC, Background for Planning Greater Winnipeg (Winnipeg: The authors, 1946), 67-70.

IV. URBAN AND MUNICIPAL PLANNING

The Core Area Initiative (CAI) presently being undertaken in downtown Winnipeg is the most recent of numerous planning activities that have attempted to correct the problems of the downtown. In the past 15 years alone, in addition to the CAI, the downtown has been the subject of four planning processes involving at various times all three levels of government.

These studies have included: 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 of the policies of the former Metropolitan government for downtown development; and the preparation of the official downtown plan by the Metropolitan Corporation of Greater Winnipeg (Metropolitan Corporation) in 1969. All of these studies and reviews acknowledged the need to somehow arrest the decline of the downtown.

In fact, over the past 70 years more than a dozen major studies and numerous smaller studies have warned about the decline of the downtown or made proposals designed to enhance and maintain the importance of the downtown in the community. These studies included several consultants' reports commissioned during the 1960s as part of the decade-long focus by the City of Winnipeg and the Metropolitan Corporation on urban renewal in the downtown; a report in the late 1940s by the Metropolitan Planning Committee/Winnipeg
Town Planning Commission (MPC/WTPC)\textsuperscript{6} and a report prior to World War I by the Winnipeg City Planning Commission.\textsuperscript{7}

The recent inauguration of the CAI is testimony to the fact that all of this previous activity has not been successful in maintaining the vitality of the downtown. The previous chapters of this report have traced the pattern of decline over the years.

A major concern for policy analysts is the question of why a problem that has been identified over such a long period has not yet been successfully addressed. No single correct answer can be identified to such a question, but a review of some of the possible influences is instructive.

\textbf{IV.1 SPLIT JURISDICTION}

Until the formation of the Unicity government in 1972, with the amalgamation of 12 Winnipeg-area municipalities, no single municipal government had the authority to direct and control development in the metropolitan area around Winnipeg. Even the Metropolitan Corporation, which formulated official development plans for the overall area and the downtown, faced challenges from affected municipalities and limitations on its efforts to implement an overall planning and development regime in the region.\textsuperscript{8} The Metropolitan Corporation really never did manage to implement its plans given that it was succeeded by the Unicity council shortly
after official adoption of the plans.

Although the MPC/WTPC co-operated in the formulation of a master plan in the late 1940s, they had separate and distinct constituencies and no power for implementing their recommendations. The MPC, formed in 1943, had an initial membership of 12 municipal governments (including Winnipeg) but this declined to seven as various communities opted out. Among other impacts, the reduced membership caused financial problems and the provincial government was not forthcoming with financial support for the planning process.9

The WTPC was formed under a by-law passed in May, 1944 using powers acquired by the City of Winnipeg through a referendum in May, 1931. The WTPC continued to function through the 1950s in co-operation with a successor to the Metropolitan Planning Committee — the Metropolitan Planning Commission, formed by provincial legislation in 1949. This commission again had voluntary membership and became a co-ordinating agency for some of the other intermunicipal organizations active during the period.

The planning commission of 1911-13 was the creation of the Winnipeg city council — although in a path-breaking move, representatives of selected surrounding municipalities were appointed as ex officio members. In the context of the time, there was little reason for councils in municipalities adjacent to
Winnipeg to forgo development for the benefit of Winnipeg. The desire to increase the assessment base was as strong in these municipalities as in Winnipeg itself.

The more recent involvement of the federal and provincial governments in renewal activities in Winnipeg introduces a new set of forces into the process. Federal and provincial mandates are distinct from the municipal mandate of controlling development through zoning and subdivision approvals. Thus, the participation of these levels of government is limited to areas where they have appropriate jurisdiction and to situations where an advanced state of deterioration causes the municipal government to welcome senior government intrusion. Reactive, remedial planning predominates in these situations rather than proactive, preventive planning.

For instance, the tri-level task force approach to the Plan Winnipeg review of the mid 1970s represented a consultative fact-finding mission without power to propose or implement specific plans. It is noteworthy that some of the plans being implemented under the tri-level CAI program are in direct contradiction to the recommendations of the task force on the downtown.

IV.2 FAILURE OF POLITICAL WILL

Notwithstanding the problems caused by the number of separate jurisdictions in the region, the various city councils of Winnipeg
have not utilized fully the powers available to them to maintain the stature of the downtown. Two particular aspects in this regard have been a failure to utilize available zoning tools and a failure to utilize land holdings under their control.

One of the interesting features of Winnipeg's development is that by 1914 the city's jurisdictional boundaries were basically established for the next 50 years. These boundaries are outlined in Map 14. While limited expansions subsequently occurred, they did not increase the area of the City of Winnipeg significantly.

The city encompassed some 61 square kilometres of area by 1914 compared to eight square kilometres in 1873. However, only about two-thirds of this area had been built up by 1913-14. Even then there existed a significant potential for infill development and redevelopment within the built-up area. Thus the city had substantial land available for development within its boundaries and could have exercised substantial development control through zoning.

Nonetheless, the city permitted subdivision of 7.6 metre lots in Fort Rouge, north of the Assiniboine River west of Colony Street and in the area north of the CPR yards. Combined with poor construction, overcrowding and inadequate open space, these conditions set patterns of settlement and development which have proved costly to overcome and which contributed to the level of deterioration in the downtown.

Another factor which contributed to the deterioration of the downtown was the absence of zoning controls for the area prior to 1948. The result was that the downtown was a hodgepodge of intermingled industrial, commercial and residential land uses such that renewal on a spot basis was no longer possible. The only alternative was wholesale redevelopment.\textsuperscript{11}

While zoning provisions for the downtown were subsequently adopted, the problem of large-scale intermingling of inappropriate land uses continued. The consequences of this legacy remain today in the form of a shortage of residential facilities in the downtown.

The zoning plan would later create another impediment to the establishment of additional housing downtown. During the 1960s, density was permitted to reach a floor to land ratio of 10:1 with a negative impact on the environment for residential development. This level of density, apparently two-and-a-half times that found in Toronto, was said to be required to permit an adequate return on apartment investment.\textsuperscript{12}

A further impact of this level of density was that the available investment was concentrated on a relatively small proportion of the developable lands in the downtown. Given that the amount of the capital available was small compared to the
requirements for redevelopment, the rate of deterioration accelerated as maintenance and replacement of deteriorated structures did not occur, and substantial tracts of undeveloped or underutilized land (especially surface parking lots) persisted.

**Tax Forfeiture Lands**

The city had an even more substantial opportunity to overcome some of the problems confronting the downtown during the 1930s when it acquired more than 1600 hectares of land within its boundaries through tax forfeiture. In 1945, this land bank represented more than 50 per cent of the developed land within its jurisdiction.\(^{13}\)

While this land signified potential development problems, it also offered opportunities to control settlement. Indeed, the City of Winnipeg used some of its land to create the Inkster Industrial Park\(^{14}\) and to participate in the construction of public housing in the Burrows-Keewatin area in order to house persons displaced by its first major urban renewal project in the 1960s.

Although these land uses may be laudable, the disposition of the land in this manner removed an element of redevelopment pressure on lands located closer to the downtown. A policy of disposition more closely integrated with downtown renewal could have provided lasting benefits to the downtown.
Unicity

A lack of political will for the redevelopment of downtown continues under the new Unicity government. Previous chapters of this report have discussed the creation of major regional shopping malls in the suburban areas and the continued approval of new subdivision plans for areas previously thought to be beyond the urban limit line.

The current debate over the adoption of Plan Winnipeg, the new development plan for the region, also exemplifies a lack of political will at the municipal level on this issue. A major point of disagreement between the city and the province has been the question of application of rigorous controls on suburban development and the redirection of the surplus growth impetus to the downtown.

This issue ultimately will become a test of political will for the provincial government as well. As population has shifted to the suburbs so has the distribution of Winnipeg-area MLAs. If suburban residents do not support limits on suburban growth or view the province's behaviour as inappropriate interference in urban government, the provincial government could face political cost from supporting the development limits.
Tax Assessments in the Downtown

A further failure of political will by both the former City of Winnipeg council and the Unicity council was reflected in the issue of land assessments in the downtown area. The level of assessment has delayed redevelopment or encouraged higher density development with negative impact on the character of the downtown.

Land assessments in the downtown have apparently been unrepresentative of land values for some years. About 50 property owners recently won an assessment reduction of about 40 per cent on assessments of 69 Portage Avenue business properties, retroactive to 1981. In addition, the Board of Revision which heard their appeals ordered that all non-residential properties in the downtown are to be reassessed for 1985 — that is, commercial properties in the area bounded by the Red and Assiniboine rivers, Sherbrook Street, Notre Dame Avenue, Albert Street and McDermot Avenue. These decisions were under appeal by mid 1984 to the Manitoba Municipal Board.¹⁵

The disparity among land assessments was revealed in a study conducted in the late 1970s by the Montreal Trust Company. Higher land assessments were found along Portage Avenue than at the Portage and Main intersection or on Broadway. The Bank of Montreal building site on Portage at Hargrave, for example, was assessed at $39 per square foot while the Hotel Fort Garry on Broadway was assessed at $2.80 per square foot. The Winnipeg Inn, Holiday Inn and Imperial
Broadway Tower were assessed at less than $4.65 per square foot, while the Clarendon Hotel site on Portage at Donald (across from Eaton's) was assessed at $30.11 per square foot and the Kensington Building site at Portage and Smith at more than $25.\textsuperscript{16}

The disparity between downtown and suburban lands is even greater. The Eaton's store on Portage has an assessment which is apparently just slightly less than the total assessment of all five regional shopping centres.\textsuperscript{17}

During an earlier period of Winnipeg's history, failure to adjust assessments in response to changing conditions also caused problems in the central business district. Prior to 1912, land values in particular rose rapidly, reflecting the speculative activity of the time. After the First World War, land values declined but assessed values and taxes remained high. As revenues from the land declined, property owners were encouraged to forfeit. It was not until after 1931 that assessed land values and use values were brought into a more logical relationship during revisions of the assessment system.\textsuperscript{18}

The reassessments contributed to reduced revenues just at a time when the city faced mounting costs associated with the need for relief during the Depression. However, as noted above, of longer-term importance to the city's physical development were the amounts of land held by Winnipeg and other municipalities as a
result of tax arrears. By the end of 1945, almost a solid ring of such property was around the urban developed area. A large percentage had been subdivided but not developed, although in some instances there had been scattered development which hampered comprehensive zoning and efficient delivery of municipal services.\textsuperscript{19}

IV.3 THE RETURNING BOOM

The pace of Winnipeg's development over the 1870 to 1914 period established patterns which were oriented towards accommodating and facilitating expansionary booms. In fact, it could be argued that the entire period constituted a long-trend boom textured by shorter super boom and bust fluctuations.

The population grew over the period from several hundred in 1873 to about 150,000 in 1914 — a compound growth rate of more than 14 per cent per year. While this basic trend rate is impressively high, the 1881-1886 compound annual growth rate was more than 20 per cent on a base of about 8000; the 1901-1906 compound annual growth rate was more than 16 per cent — more than doubling the population on a base of more than 42,000.

Over the next 40 years, while population growth continued, the pace was distinctly slower. The population increased by only about two-thirds during this period. As well, war and depression sapped the energy of the city. The 1950 flood created additional
disruption. These events screened the fact that a fundamental change had occurred in the strength and drive of the economy of Winnipeg.

The city was no longer the major gateway to a vast hinterland. Its dominance was based not on control over staple production but rather, on control over commercial, financial and transportation services necessary to the marketing of agricultural products and the distribution of goods and services to the hinterland. But the hinterland was establishing some degree of independence from Winnipeg; moreover, there were other, newer hinterlands opening up over which Winnipeg did not have the same degree of control or advantages which it had when the Prairies were settled. These new areas with their different staples (especially mining and energy) and, hence, their different production functions and political economies, contributed to Winnipeg's relative decline.

Although the city lost its gateway function and the power that accompanied it, no successor function was found that could continue to propel the growth of the city at the rate previously experienced.

Nonetheless, population growth continued in the metropolitan region. The five-year growth rate over the 1946-51 period was almost 11.5 per cent, while the succeeding two five-year periods each had growth rates of 15.5 per cent. A return to growth rates such as these surely gave the impression that the disruption of the
wars and depression had been overcome and the boom was about to return.

Indeed consultants and planners in the 1960s based their recommendations on projections of continued substantial population growth. One consultant, based on a projection of a metropolitan population of 780,000 by 1986, was confident about the strength of the downtown retail sector and indeed found an "apparent shortage" of suburban shopping centres.21 A draft regional plan issued in 1963 by the Metropolitan Corporation projected a doubling of the population by 1986 (to more than 900,000 people).22 The majority of this growth was expected to occur in suburban areas as land available for additional residential development in the City of Winnipeg was limited. Given the expansion projected, the planners believed that suburban shopping centres could be developed without diverting economic activity from the downtown.

The boom conditions of earlier years did not return in the post-war period. The comparatively expansionary years from 1946 to 1961 did not continue and the population growth rate in the metropolitan area was cut by more than one-half during the next decade. In 1976-81, population expansion reached its lowest level at slightly above one per cent.

Given the optimism about the potential return of the boom, the task of selling limitations on suburban growth has been difficult.
Numerous reasons for the temporary failure of substantial growth during the last 15 years have been identified. These reasons generally fail to acknowledge the need to find a new engine of growth for the city. Similarly, these optimists have failed to identify the need for the city to adjust to a new pattern of development which maximizes the benefits from existing facilities.

IV.4 THE GRAND PLAN

During its great 40-year boom, Winnipeg became known as 'the Chicago of the North'. Given this billing, it was evident that Winnipeg needed appropriate facilities and public amenities of substantial stature. This requirement led to the 'grand plan' phenomenon.

The grand plan was a component of the report of the city planning commission issued on the eve of World War I.23 The proposal involved the siting of a new city hall and represented the beginning of a 50-year controversy over the location and construction of that building.24

The commission proposed to locate a new city hall on the Manitoba College site on Ellice Avenue. The city hall would be linked to the new Legislative Building on Broadway by a mall or plaza formed by widening Vaughan Street. The plaza would be flanked by a library, art gallery, auditorium and other public buildings.
The project would be the responsibility of a commission which could control the overall character and location of construction.

Although it was never implemented and the construction of the HBC store at Portage and Vaughan precluded subsequent implementation of such a scheme, the proposal set a significant precedent. Firstly, various elements of the plan continued to garner support including the concept of creating a major attraction in the downtown. Secondly, the vehicle of a commission or development corporation has subsequently been proposed or utilized in planning for the downtown.

Wars and depression over the next 30 years delayed further grand designs. For instance, on a smaller but still substantial scale, the Depression of the 1930s delayed the construction of a 17-storey Richardson office building. The building was designed to be an appropriate addition to the collection of great banking halls along Main Street and to complement the nearby Bank of Montreal banking hall.

The grand plan again appeared in conjunction with the search for a new city hall site in the early 1960s. One proposal was to locate the building on a site bounded by Memorial, Spence, Portage and St. Mary. The crosstown highway (Osborne-Colony-Isabel) was to be rerouted and the city hall linked to the Legislative Building by a green space mall along Memorial Boulevard. Sites not used for
public buildings were to be developed commercially, including an enclosed retail shopping mall running west of the Hudson's Bay store along Portage Avenue.

Another example of the grand plan from the late 1960s was a proposal by a Toronto consultant for redevelopment of the entire downtown to overcome many of the problems of dispersal, intermingled land uses and obsolete facilities. The plan involved substantial public involvement to achieve land assembly and other prerequisites for the kind of development proposed.

The proposal, in addition to advocating large scale redevelopment of the CNR East Yards at the Forks, called for high-density, high-rise development in the Smith-Donald corridor and the Sherbrook-Maryland corridor north of the Assiniboine River. The buildings would be set among lawns, paved plazas and other landscaping and would incorporate parking facilities. The former corridor would be retail-commercial in orientation while the latter corridor would be essentially residential. (See Map 15.)

Although the report did not propose a development corporation to implement the plan, the letter of transmittal suggested that such a vehicle be created. Certainly the nature of the proposed developments implied the need for such a supervisory agency.

Two other grand designs involving the downtown were the
MAP 15. Conceptual Downtown Redevelopment Plan.

Winnipeg Area Transportation Study (WATS) Plan and the plans for Urban Renewal Areas #2 and #3. The former involved an extensive system of additional bridges and expressways passing through and around the downtown. These included a waterfront expressway along the Red River.27

The latter plans have been discussed in Chapter II of this report. The key issue of interest at this point is that the city hall controversy was at least temporarily settled. A new city hall was constructed on the west side of Main Street in 1962-64. A public precinct of a sort was created by also constructing a new Public Safety Building, a museum, a concert hall and a theatre centre in the vicinity of the city hall. The vision of a grand plaza was lost, however, because the various public buildings are separated by major regional streets including Main Street with eight lanes of traffic.

The 1969 downtown plan published by the Metropolitan Corporation revived the concept of the civic development corporation to implement its grand plan. In this case, the planners envisaged development of 'key sites' which would be of sufficient importance to establish the tone and stature of private redevelopment in the downtown. The civic development corporation was to assist in land acquisition, construction of off-street parking facilities and construction of amenity spaces. Public investment in the area south of Portage Avenue alone was projected to be some $46.5 million.
Portions of the plan for the area south of Portage were ultimately implemented but without the creation of the development corporation or the extensive land assembly. The construction of the Winnipeg Convention Centre, the Lakeview Square complex and Holiday Inn are likely direct consequences of the proposals put forward in the plan.28

A final example of the grand plan in downtown Winnipeg is the North Portage Development Corporation. The corporation is to acquire and develop land in the area bounded by Portage, Ellice, Colony and Edmonton. Among other proposals, the corporation is planning construction of a weather-protected public galleria with accompanying retail and residential facilities.29 This proposal is a scaled down version of an even grander scheme, put forth by an intergovernmental task force, to construct the galleria on the existing Portage Avenue right-of-way after relocation of the right-of-way. The corporation chose a more modest grand plan.30

The problem with these grand plans is two-fold. Firstly, they portray an image that the problems of downtown Winnipeg can be solved in one giant step — create a major point of attraction and the downtown will once again predominate over all rival areas. Such a philosophy simply begs some other developer to construct a competing grand scheme elsewhere in the region. Unless Winnipeg once again becomes a powerful magnet for international capital, as
it was at the turn of this century, such competition would be wasteful of scarce capital.

The second problem with these grand schemes is that they divert attention from the fact that Winnipeg's economic role, purpose and stature have changed since the time that Winnipeg was 'the Chicago of the North'. Until this fact is adequately recognized and embraced, appropriate urban management policies will not be adopted.

IV.5 THE DOWNTOWN LAND MARKET

IV.5.1 Land Market Dynamics

The purpose of a land market is to allocate various parcels of land among competing uses. The appropriate use for a parcel is that which can afford to bid the land away from competing uses and still permit a viable operation to be maintained on the property. A pattern of prices falling from the 'centre' of a city to the periphery results in highest value or most land-intensive uses occurring at the centre and lower value, less land-intensive uses occurring at the periphery.

Land markets, like all markets, function best in situations where price changes are relatively gradual. Rapidly fluctuating prices create great uncertainty in the market leading to a reluctance on the behalf of both buyer and seller to commit to an
exchange price for a property.

Because developed land involves buildings with long life spans, the stability of market prices is extremely critical. Developers are loath to construct a building if a shift in land values shortly after completion will render the building inappropriate for the land it occupies. On the other hand, the market will have difficulty in allocating a particular property to a new optimal use immediately after the construction of a new building. In this case, the offer price must rise sufficiently to cover both the previous land value and the unamortized cost of the building.

Adequately functioning land markets require knowledgeable buyers and sellers. Buyers must not offer more than the value of the land; while sellers must not refuse offers equal to the value of the land. If these conditions are not met, the market may not be able to allocate the land in the optimal pattern.

In the former case, buyers offering too high a price may commit land to uses which are not the most productive, or may reduce the yield from development of the land unnecessarily. In either event, the inflated land value may affect adjacent properties by raising their prices to levels which do not permit development or redevelopment.

In the latter case, failure to accept offers equal to the value
of the land may preclude appropriate development and redevelopment. The result in this case could be that adjacent properties are prevented from reaching their true market value because a key piece of land required for redevelopment is unavailable.

As the economic forces determining appropriate land uses change, the pattern of land assembly can also change. In such cases smaller parcels must be assembled into larger holdings or larger parcels subdivided into smaller holdings. Unknowledgeable landholders, either buyers or sellers, can disrupt the functioning of the market in these situations.

IV.5.2 The Winnipeg Experience

As discussed previously in this report, the land market in Winnipeg apparently functioned well in the city's earliest days. Several major landholders were actively subdividing land parcels and attempting to lure to their properties land uses which would serve as major points of attraction and hence raise the values of their surrounding holdings.

Although land prices rose substantially during this period, the price pattern did not fluctuate erratically. Land prices served to allocate compatible uses to adjacent parcels and basic precincts were created.
Boom and Bust

The arrival of the CPR in the 1880s created conditions which impaired the functioning of the land market. Speculative fever prevailed and many land purchases were undertaken on the basis of a need to create opportunities for future short-term capital gain. In the current jargon, many properties were acquired so that they could be 'flipped'.

Chapter II of this report discusses the fact that rising land prices in conjunction with the arrival of the CPR caused substantial conversion of residential properties in the vicinity of the tracks to industrial and commercial properties. The displacement of the residential properties was not complete, however, leaving a legacy of intermingled land uses and social problems in the area.

Chapter III above highlights the conversion of Main Street properties to essentially commercial uses from residential during this same period. Chapter III also illustrates the impact of fluctuating demand as a result of the collapse of the boom after the CPR rail-head moved west of Winnipeg. For example, the Cauchon Block was intended as a combination office and ground floor retail structure but it opened in early 1883 just after the land boom had broken and, thus, the building did not attract a capacity tenancy. By 1884, it was fully converted to a residential building.31
The frenzy of the 16-month boom can perhaps best be illustrated by the time pattern of property assessments. By 1881 local assessments had risen to $8 million, a doubling from the level prior to the boom. In 1882, the assessment value was $30 million. The assessment values dropped just as dramatically, reaching a nadir of $18.6 million in 1887.32

A similar pattern evolved during the 1901-11 boom. A particular impact of this boom was the consolidation of a CBD precinct in proximity to Portage and Main. The increase in the value of land in this area is amply demonstrated by the density and quality of construction undertaken in this period. This was the period during which the 'skyscrapers' destined to dominate the city's skyline for 50 years were built. This was also the era when the great banking halls on Main Street were established.

The 1901-11 boom was the last one to drive the downtown land market into a frenzy. The change in stature of Winnipeg in the years following World War I precluded a re-occurrence of these booms. However, they left their marks on the downtown land market. As discussed previously, much of the diffusion of CBD activities around a large downtown area, as well as the dispersion of many activities to suburban municipalities, can be attributed to high land prices which occurred during the booms.

Another legacy, the tall buildings in the vicinity of Portage
and Main, maintained upward pressure on the prices at which land was offered for sale in precincts adjacent to this intersection. This upward pressure is also a result of the returning boom phenomenon discussed earlier in this chapter.

The Contemporary Period*

During the contemporary period, evidence of downtown land being held for speculative gain continues. While suburban development has continued unabated, substantial blocks of land in the downtown are undeveloped or remain in low level uses. This is particularly the case in the warehouse district (only recently discovered as a national treasure-house of turn-of-the-century architecture), on the streets north and south of Portage Avenue in the downtown and along Main Street over most of its distance from the Assiniboine River to the CPR tracks.

The condition of the downtown land market was highlighted in a 1968 consultants' report submitted to the planning department of the Metropolitan Corporation. The report noted the existence of both high land prices and dispersed ownership which were interpreted to be symptoms of a breakdown of the downtown real estate market. The

* The nature of the dynamics of the present land market in downtown Winnipeg appears to be a topic worthy of immediate further research. The comments in this section are the result of contemplation and reflection rather than detailed analysis.
consultants found that owners of underutilized or vacant land were apparently unwilling to co-operate in land assembly or to price their land at levels attractive for development; thus there were no willing buyers and sellers despite the amount of underused land with development potential.

This condition resulted from the fact that a significant portion of the land was held by persons who were not experienced in real estate or development, but were holding land as a long-term investment. They were taking revenues from low-yield uses such as parking lots while expecting the overall value to appreciate. The resulting land price disparities were not consistent with the environment required to encourage development.

It would appear as if the problems identified in 1968 continue today. In recent years, the power of expropriation has been used several times in the downtown to assemble land for commercial or quasi-commercial purposes. The assembly of land at Portage and Main for the Winnipeg Square development by the city is one example. The more recent expropriations by the province on behalf of the Logan Community Development Corporation, the Core Area Initiative and the North Portage Development Corporation are additional examples.
Notes

Abbreviations used in the footnotes:

Minutes - Minutes of the City Council of the City of Winnipeg, Manitoba
MPC/WTPC - Metropolitan Planning Committee and Winnipeg Town Planning Commission

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