

The Urban Limit Line: Some Issues

1990

The Institute of Urban Studies





THE UNIVERSITY OF
WINNIPEG

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Published 1990 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.

The Institute of Urban Studies is an independent research arm of the University of Winnipeg. Since 1969, the IUS has been both an academic and an applied research centre, committed to examining urban development issues in a broad, non-partisan manner. The Institute examines inner city, environmental, Aboriginal and community development issues. In addition to its ongoing involvement in research, IUS brings in visiting scholars, hosts workshops, seminars and conferences, and acts in partnership with other organizations in the community to effect positive change.

THE URBAN LIMIT LINE: SOME ISSUES

A Background Paper
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March 1990

NOTE TO THE READER

Although the preparation of this paper was supported by a grant provided by the Government of Manitoba, the paper does not purport to represent the views of the Government of Manitoba. Nor does the Government of Manitoba necessarily support any of the views expressed in the paper.

TABLE OF CONTENTS

1.0	INTRODUCTION TO THE PAPER	1
1.1	PURPOSE OF THE PAPER	1
1.2	SCOPE OF THE PAPER	1
1.3	STRUCTURE OF THE PAPER	1
2.0	THE URBAN LIMIT LINE: DESCRIPTION, INTENT, AND INSTITUTION	2
2.1	DESCRIPTION	2
2.2	INTENDED PURPOSE OF THE URBAN LIMIT LINE	2
2.3	CONSIDERATIONS IN DELINEATION	4
2.4	THE INSTITUTION OF THE URBAN LIMIT LINE	5
3.0	THE URBAN LIMIT LINE: ISSUES	7
3.1	ISSUES OF VALUES	7
3.1.1	Location	7
3.1.2	Lifestyle	8
3.2	COSTS AND BENEFITS OF SUBURBAN DEVELOPMENT	10
3.3	EFFECTS OF THE URBAN LIMIT LINE ON LAND SUPPLY AND HOUSING PRICES	13
3.3.1	Land Supply	13
3.3.2	Housing Prices	14
3.4	ENFORCEMENT AND ADMINISTRATION	15
3.4.1	Growth Outside City Limits	16
3.4.2	Dispute About Soundness of Fiscal Analyses	19
3.4.3	Service Capacity as Determinant of Approval	20
3.5	USEFULNESS OF THE URBAN LIMIT LINE	20
4.0	TOWARD RESOLUTION OF ISSUES	22
4.1	ISSUES OF VALUES	22
4.2	FISCAL COSTS AND BENEFITS OF SUBURBAN DEVELOPMENT	22
4.3	EFFECTS OF THE URBAN LIMIT LINE ON LAND SUPPLY AND HOUSING PRICES	22
4.4	ADMINISTRATION AND ENFORCEMENT	23
4.5	USEFULNESS OF THE URBAN LIMIT LINE	23
4.6	THE ALTERNATIVES	24
	REFERENCES	25

1.0 INTRODUCTION TO THE PAPER

1.1 PURPOSE OF THE PAPER

This paper has been prepared by the Institute of Urban Studies, University of Winnipeg, to provide background information on the Urban Limit Line in order to stimulate discussion at a Workshop organized by the Institute to discuss issues related to the limit line.

The Institute considers the Workshop to be timely for two reasons:

- (i) ever since the institution of the Urban Limit Line, it has been a contentious issue among the various actors who are involved with it (City Officials, the Government of Manitoba, and the housing and urban development industry);
- (ii) the City of Winnipeg has initiated a review of Plan Winnipeg. Since the Urban Limit Line is an important part of Plan Winnipeg, it would be useful to assess the issues raised by it so that those involved in drawing up a new Plan Winnipeg can use the insights from the workshop in formulating the new Plan.

1.2 SCOPE OF THE PAPER

This Paper provides a "scan" of the issues related to the Urban Limit Line that have been identified by key informants drawn from the City of Winnipeg, the Government of Manitoba and the housing and urban development industry. It does not purport to reconcile the often divergent perspectives, nor does it provide an in-depth analysis of the many issues that were raised by the informants. Some factual information is, however, provided with respect to each issue.

Although the paper presents a cross section of opinion on the Urban Limit Line, it does not provide an exhaustive or comprehensive compilation of opinion. Rather, it is more like a building block for workshop participants to identify additional issues and add insights.

1.3 STRUCTURE OF THE PAPER

Following this section, Section 2 presents some basic information on the Urban Limit Line, describes its intended purpose, the factors taken into account in its delineation and the process of its institution. Section 3 identifies the principal issues related to the Urban Limit Line and provides a brief outline of each issue to capture the range of opinions expressed. Section 4 suggests some measures that might be useful in addressing the issues.

2.0 THE URBAN LIMIT LINE: DESCRIPTION, INTENT, AND INSTITUTION

2.1 DESCRIPTION

In effect, the Urban Limit Line is a line designated by Plan Winnipeg (the approved development plan for Winnipeg), outside which, proposals for urban land development within the corporate boundaries of the City of Winnipeg, cannot be approved without having to amend Plan Winnipeg. The process for the amendment of Plan Winnipeg requires the approval of City Council and the Government of Manitoba. The Urban Limit Line is shown in Figure 1.

2.2 INTENDED PURPOSE OF THE URBAN LIMIT LINE

A reading of Plan Winnipeg tends to leave the reader somewhat unsure about the full intent behind the designation of the Urban Limit Line. The Plan document consists of two parts. Part One, titled "Introduction to Plan Winnipeg" discusses the purpose, principles and objectives of the Plan. It has no legal status. Part Two, on the other hand, is the legal document (By-Law) adopted by Council and approved by the Government of Manitoba as the *Greater Winnipeg Development Plan* under the provisions of the *City of Winnipeg Act*. While the By-Law provides only a brief statement about the Urban Limit Line and designates it on a map, the Introduction to Plan Winnipeg provides some indication of the intent behind the Urban Limit Line.

In the By-Law, the Urban Limit Line is referred to as follows:

The Urban Limit Line designated on the said Map describes the limits outside which applications will not be approved for development requiring the extension of the City's sewer or water system . . ." (Section 3 (1) b pp. 2-5).

While the above statement makes it clear that the Urban Limit Line is concerned primarily with limiting the boundaries within which water and sewer are to be provided, it does not provide an understanding of the underlying intent in establishing such boundaries. A reading of Part One of the document does not fully clarify the intent either. In this part, the Urban Limit Line is discussed as a measure which "directs development to those areas where there is an availability of services, along with an emphasis on least cost development" (pp. 1-7).

Most planners at City Hall believe that the Urban Limit Line was conceived for the limited purpose of directing peripheral development to areas in which there was existing service capacity. Nevertheless, some other planners believe that the Urban Limit Line should be viewed in the broader context of the two fundamental objectives of Plan Winnipeg:

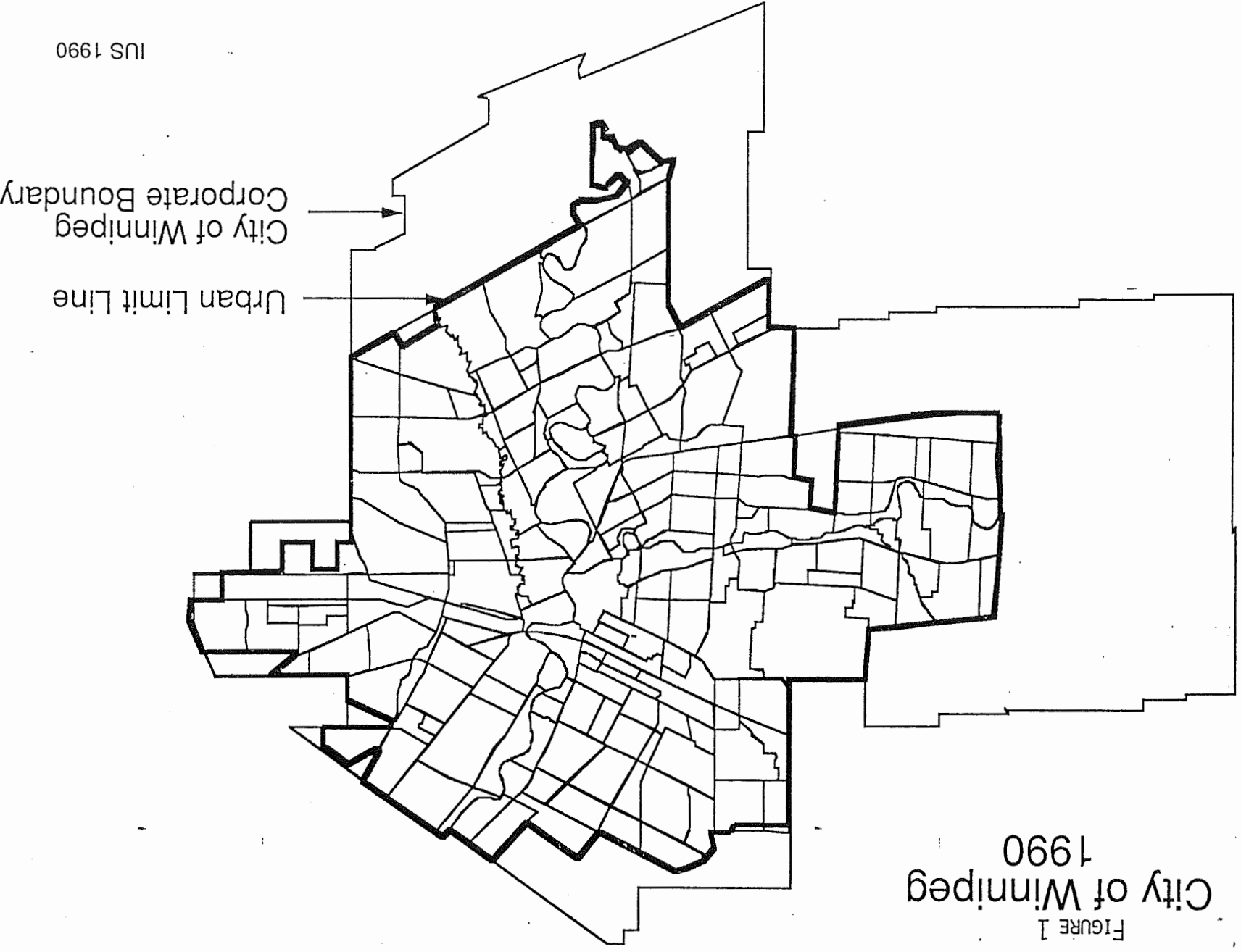


FIGURE 1
City of Winnipeg
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Urban Limit Line
City of Winnipeg
Corporate Boundary

- (i) encouraging the maintenance and revitalization of older, established neighbourhoods;
- (ii) the optimal, cost effective location for new neighbourhoods in the suburban periphery.

If viewed in the light of the above objectives, the Urban Limit Line would appear to be more than a measure for the optimal location of new neighbourhoods. It would also be a device to achieve the revitalization of older, established neighbourhoods by restricting outward growth with a view to directing some of the new housing to the older neighbourhoods. This is an important distinction, particularly when we look for criteria for assessing whether the Urban Limit Line has met its intended purpose.

Plan Winnipeg sought to direct 20 percent of the new housing development to the older neighbourhoods and 80 percent to the periphery, in optimal, cost effective locations. Depending on what intended purpose one ascribes to the Urban Limit Line, one or both of these criteria could be employed in assessing whether the Urban Limit Line has served its purpose.

2.3 CONSIDERATIONS IN DELINEATION

Two principal considerations were taken into account by the planners in delineating the Urban Limit Line:

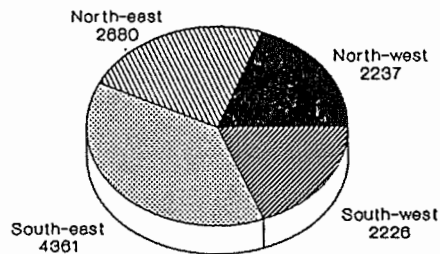
- (i) within the constraints of existing service capacity, to provide choice of location for those seeking to build and purchase new homes in each quadrant of the city;
- (ii) to maintain competitiveness in the land development industry through the provision of opportunities for competition among land developers within each quadrant of the city.

In accordance with the above considerations, a total of 11,500 undeveloped acres of land was provided within the Urban Limit Line and allocated within each quadrant of the City as shown in Figure 2.

The above allocation was made on the understanding that a total of 27,320 single family housing units would be required in the City during the period from 1986 to 2001. The allocated land could accommodate about 52,000 units (@ 4.5 units per acre), and therefore provided a measure of flexibility and room to encourage competitiveness among builders.

Figure 2

Plan Winnipeg Land Allocation
For Residential Development
In the Four Quadrants



Source: City of Winnipeg

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2.4 THE INSTITUTION OF THE URBAN LIMIT LINE

The Urban Limit Line came into effect with the approval of Plan Winnipeg by the Minister of Urban Affairs and its adoption by City Council in April 1986. The approval process was a lengthy one. It took six years for the City and the Government to come to an agreement about certain contentious matters. Among those was a concern about the Urban Limit Line.

According to officials of the Department of Urban Affairs, although the Government of Manitoba supported the Urban Limit Line in principle, it was concerned that the Urban Limit Line, as proposed, provided far too much land. It could, therefore, not be effective in promoting the objective of directing some of the housing demand into the existing neighbourhoods. Indeed, Government officials believed that the Urban Limit Line, as proposed, would permit developers to meet the entire projected housing demand until the end of the century, without constructing a single housing unit in the established neighbourhoods. Thus, infill and revitalization would simply not occur and the investment of the three levels of government in core area revitalization would be undermined.

In order to encourage the channelling of new homes into existing neighbourhoods and towards a selected number of peripheral areas, the Government of Manitoba suggested that an "inner" limit line be drawn to provide for the staging of development on the periphery. Once the capacity of the "inner" Limit Line had been reached (estimated then to accommodate a population of

635,000), development could be extended to the Urban Limit Line proposed by the City. The difference in area between the two lines was about 3,500 acres.

City officials, however, did not agree that the Urban Limit Line should be used to force new housing units to be located in the older neighbourhoods. In their view, older neighbourhoods needed to be improved so that they could compete with the periphery. Since there was such a wide difference of opinion, there were lengthy negotiations and in the end, the Government of Manitoba yielded to the views of City Officials. Plan Winnipeg was approved with minor adjustments to the Urban Limit Line.

3.0 THE URBAN LIMIT LINE: ISSUES

The current issues related to the Urban Limit Line can be classified into five main categories:

- (i) the values which should govern urban development in Winnipeg;
- (ii) the fiscal costs and benefits of suburban growth;
- (iii) the effect of the Urban Line on housing supply and prices;
- (iv) problems in administering and enforcing the Urban Limit Line;
- (v) usefulness of the Urban Limit Line.

3.1 ISSUES OF VALUES

Since the Urban Limit Line is concerned with limiting outward suburban growth, issues of values revolve around two main questions: should Plan Winnipeg restrict the choice of residential location; and should Plan Winnipeg deny the desired lifestyle associated with suburban living.

3.1.1 Location

Many in the development industry believe that the Urban Limit Line constrains the freedom of choice in residential location, takes decisions about the location of new development out of the realm of the market place and places them in the realm of bureaucratic decision making. This, they suggest, is contrary to the principles of a free and democratic society.

The example of the St. James Assiniboia area is often cited to demonstrate how the Urban Limit Line has completely constrained the capacity of the community to grow outwards and how this constraint prevents those wanting to buy new homes in the area from exercising their choice. According to this line of reasoning, it is not enough to provide room for residential development in each quadrant of the City alone, but also in each community within the quadrant.

On the other hand, it has been suggested by planners that freedom of choice cannot be the sole value to guide urban development. Since all urban development involves the expenditure of public funds in infrastructure and ongoing operations and maintenance, the extent to which choice can be sustained depends upon the costs which the public purse can absorb. Thus, market forces alone cannot determine the direction of urban development in a democratic society.

Although the above views on the values which should govern urban development in a democratic society might be considered by some to be futile points for discussion, our interviews with the

development industry and government officials indicate that these divergent values continue to divide planners and developers.

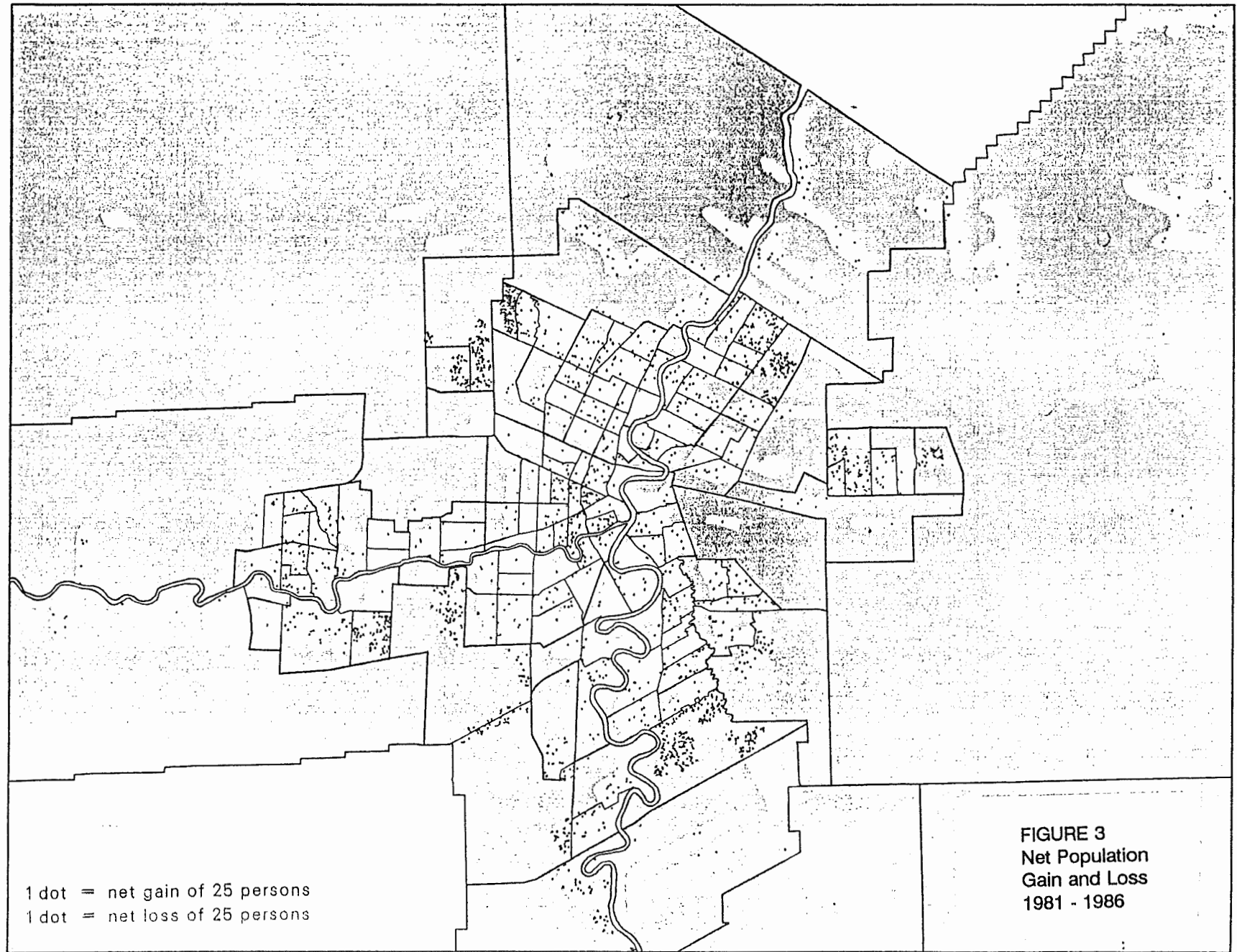
3.1.2 Lifestyle

Most in the development industry seem to operate in a marketing environment which is dominated by packaging and targeting homes as a product to certain homogeneous groups (in terms of lifestyle and/or income). There is a widespread belief in the development industry that the typical buyer of a new home seeks a community of interest which can best be achieved in new suburban development. This implies that there is limited room to build new homes through infill and revitalization in older neighbourhoods as envisaged in Plan Winnipeg. Consequently, it is suggested by the development industry that it makes little sense to limit suburban growth.

As a counterpoint to the above perspective, those involved in the study of neighbourhood change believe that the creation of new neighbourhoods to cater to homogeneous groups, whether young families, or move-up buyers or seniors, creates a vicious circle of waste. For example, certain groups move to the new developments from the existing neighbourhoods of the City and denude those neighbourhoods of the limited diversity they possess. The older neighbourhoods lose population and the Civic government is confronted with having to maintain underutilized service capacity in the older areas while having to also provide new services in the newer areas. This is clearly wasteful of resources.

Moreover, a new residential community which, for example, attracts a disproportionate number of families with young children, requires unusual initial investments for services such as schools. After a period of time, however, when the children grow up and leave home, the population ages in place and there is a surplus school capacity. While schools then have to be closed or run uneconomically, new services have to be installed for the ageing population (Institute of Urban Studies, 1988). When the aged finally leave their homes, the neighbourhood begins to decay because new suburbs continue to be built, to cater to the young families. Eventually, the public purse is saddled with the burden of maintaining the underutilized infrastructure in the community while continuing to install new infrastructure on the periphery. This is not a scenario out of a fairy tale, but one which confronts Winnipeg today. Older areas of the city are losing population while suburbs grow on the periphery (Figure 3).

NET POPULATION GAIN AND LOSS, 1981-1986

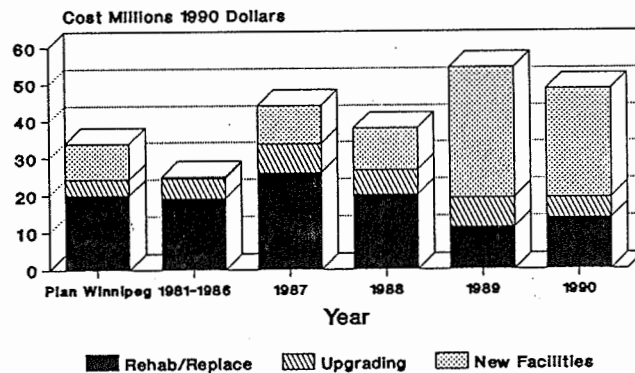


In this light, the wisdom of promoting new homogeneous suburbs, however desirable from a marketing perspective, appears to be unsustainable in the long run. Those involved in the operation and maintenance of civic infrastructure believe that the City of Winnipeg is currently facing a major fiscal problem related to the financing of the upkeep of its infrastructure and the maintenance of adequate service standards. They suggest that it makes little sense to continue to expand infrastructure in new suburban areas while the existing developed areas move toward increasing underutilization and decay.

Figure 4 shows that since 1986, the emphasis of the City's capital works in streets and transportation has become increasingly skewed toward the installation of new facilities at the cost of investment in rehabilitation, replacement and upgrading—important factors in maintaining service standards.

Figure 4

Annual Capital Program By Category Type



Source: City of Winnipeg

3.2 COSTS AND BENEFITS OF SUBURBAN DEVELOPMENT

Some believe that new suburban development in Winnipeg pays for itself. Moreover, they suggest that the builders and developers pay for the on site costs associated with the servicing of land

and then pass on the cost to the purchasers of new homes. These purchasers, in turn, pay their taxes to the City, giving Winnipeg a larger tax base which could then be used to subsidize the revitalization of the inner city. This view cannot be sustained in the case of capital works, at least, in light of the pattern of capital expenditures indicated in Figure 4.

Is there a surplus of tax revenue generated by new suburban development? This question is difficult to answer because there are no existing analyses which take into account all of the costs of new suburban development. It should be understood that these costs accrue not only to the City, but also to the Provincial level of government which is responsible for directly or indirectly funding services such as health, education, libraries and transit. Moreover, the costs incurred include both capital and operating expenditures.

The method employed by the City of Winnipeg to estimate the cost of new suburban development does not take into account the full range of capital and operating costs incurred by the City and the Province. Until recently, the City of Winnipeg required a developer to submit a Financial Impact Analysis with an application for suburban development. The Financial Impact Statements only included the costs and revenues associated with the following items:

**FINANCIAL IMPACT STATEMENT
COST ITEMIZATION**

Capital Costs

Benefits/Revenue

- Regional Street Expansions
- Regional Services
(Sewer/Watermains)
- Parks

- Property Tax
 - Business Tax
 - Waste/Water Charges
 - Employment Benefits
 - Permanent Jobs
 - Value of Construction
-

Outward suburban development often results in a number of capital costs for the City that are not included within the Financial Impact Analysis. These may include, but are not limited to, the following items:

**ASSOCIATED CAPITAL COSTS OF URBAN DEVELOPMENT
NOT INCLUDED WITHIN FINANCIAL IMPACT STATEMENTS**

- | | |
|----------------------|-------------------|
| - Firehalls | - Police Stations |
| - Schools | - Libraries |
| - Recreation Centres | - Swimming Pools |
| - Arenas | - Sportsfields |
-

Moreover, the Financial Impact Analysis considers only the "unusual operating costs" caused by the location of development or the standard of service. No account is taken of the "usual" operating and maintenance costs of the following items:

**OPERATING AND MAINTENANCE COSTS
NOT INCLUDED IN FINANCIAL IMPACT STATEMENTS**

- | | |
|--|---|
| - Street Maintenance | - Sidewalk Maintenance |
| - Snow Clearance and
Ice Removal | - Cleaning and Maintenance
of Land Drainage Sewers and
Catch Basins |
| - Fire Fighting | - Garbage and Refuse Collection |
| - Parks and Recreation
Facilities Maintenance | - Transit |
| - Police Service | - Library Services |
| - Health and Social Services | - Operations of schools |
-

Clearly, the parameters for Financial Impact Analysis are not comprehensive enough to measure the fiscal impacts of both the capital and the operating costs of outward urban growth. The fiscal problems which the City faces with regard to the renewal, and maintenance of infrastructure suggests that taxes and charges from suburban development are probably not generating the revenue surplus required for maintenance. In fact, in the case of services such as transit, it would appear that a net deficit is being generated from most suburban developments.

There is substantial evidence from cities across North America that the per capita costs of services are linked to development patterns (Real Estate Research Corporation, 1974). As outward growth becomes increasingly dispersed, higher per capita municipal investment is required for operating and maintaining services as well as for capital expenditures (Spangler, 1963; Schaller, 1963; Bahl, 1969). Since suburban development is characterized by lower

densities, capital expenditures for linear services such as drainage systems, sewer, water, roads, boulevards, street lighting and sidewalks are increased as are the costs of maintenance. In addition, the capital and operating costs per capita associated with providing "soft" community services (e.g., schools) are also higher at low densities.

The view that low density suburban development is somehow revenue generating does not appear to be tenable in the North American context. There is no evident reason why this would be any different in Winnipeg.

3.3 EFFECTS OF THE URBAN LIMIT LINE ON LAND SUPPLY AND HOUSING PRICES

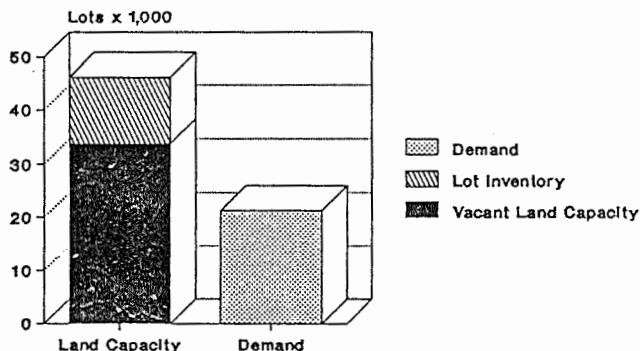
One issue surrounding the Urban Limit Line is the effect it is thought to have on land supply and, consequently, upon housing prices in Winnipeg. The development industry, in particular, believes that by restricting the supply of land within the Urban Limit Line, the price of land and the price of housing in Winnipeg are increased.

3.3.1 Land Supply

Estimates from the Department of Environmental Planning reveal there are currently 12,395 vacant serviced lots for single family housing in Winnipeg. In addition, approximately 7,500 acres of land designated for suburban residential development lie vacant within the Urban Limit Line. At the present density of development, these lands have the capacity to accommodate an additional 33,750 single family housing units. Thus, there is a supply of 46, 145 lots for single family homes. Against this supply, the anticipated demand is for 21,320 lots to the year 2001 (Figure 5). The supply exceeds demand by about 116 percent.

Figure 5

Land Available for Single Family Housing
to the Year 2001 Within the
Urban Limit Line



Source: Compiled from City of Winnipeg

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A recent study prepared by the Canada Mortgage and Housing Corporation (CMHC) has concluded, that the potential supply of residential land in Winnipeg is adequate to meet both short and long term requirements (CMHC, 1982). According to the report:

at the present time and in the foreseeable future, there are no constraints acting to restrict the availability of serviced residential land. All indications are that the supply is more than adequate to meet the anticipated requirements (p. 95).

It is difficult to see how the Urban Limit Line could have restricted the supply of land for residential development in the City when it provides over 100 percent more land than the projected requirement for housing construction to the year 2001.

3.3.2 Housing Prices

Some have suggested that by restricting the outwardly growth of areas such as St. James-Assiniboia, the Urban Limit Line has altered the laws of supply and demand, and as a result, housing prices in these areas have increased disproportionately in relation to other areas of the City.

A recent study (Kozak, 1989) examined this claim. Using data from the Winnipeg Real Estate Board and Royal LePage Survey of Canadian House Prices, the 1978-1989 price trends of single-detached homes were analyzed for both the Westwood and Southdale neighbourhoods. The study concluded:

the Urban Limit Line has not restricted the supply of housing, and as a result, housing prices have remained relatively equal in all quadrants of the City (pages 130-131).

the Urban Limit Line has not significantly inflated St. James-Assiniboia's single detached housing prices in relation to Southdale (page i).

3.4 ENFORCEMENT AND ADMINISTRATION

Since the institution of the Urban Limit Line, nine (9) petitions have been submitted to the City for its amendment. Of the nine (9) petitions, one (1) is in process, four (4) were rejected by Council and four (4) were recommended by it to the Minister for approval. Of these, the Minister approved one (1) and rejected three (3). (Table 1 and Figure 6).

Although each petition goes through several steps of review involving appointed and elected officials at City Hall and at the Provincial level, as well as the public, for the sake of ease of discussion in this paper, the review steps have been collapsed into three principal points of decision making, i.e., review and recommendation by the administration of the City of Winnipeg; review and decision by Council on whether or not to seek the Minister's approval for the amendment; and review and decision by the Minister. Table 1 indicates that of the nine (9) petitions submitted to the City, the City's administration recommended approval of one (1) and the rejection of eight (8). Council, however, rejected only four (4), recommended four (4) for approval by the Minister and has yet to decide on one (1). As stated earlier, the Minister rejected three (3) and approved one (1).

The above account suggests that there are significant differences of opinion between administrative and elected officials at City Hall and between the elected officials at City Hall and the Provincial Government with respect to which petitions might be granted.

An examination of the records related to the nine (9) petitions reveals that the administrative staff at City Hall has been consistent in its assessment of the applications by continually applying the principles which, they believe lie behind the Urban Limit Line. Elected officials at City Hall, on the other hand, have failed in 50 percent of the cases to uphold these principles and have based their decisions on other considerations. The Minister, on his part, has also been consistent in applying the stated principles of Plan Winnipeg to arrive at his decisions.

Table 1
PETITIONS TO AMEND THE URBAN LIMIT LINE:
STATUS AT DIFFERENT STEPS OF DECISION MAKING

Location	Recommendation of City Administration	Decision of City Council	Minister's Decision
1. Creek Bend Road	A	A	R
2. Jefferson/Ritche	R	A	A
3. South Transcona	R	A	R
4. Headingly	R	A	R
5. North of Saskatchewan	R	In Process	N/A
6. Ravenhurst/Randora	R	R	N/A
7. Brookside Boulevard/ Farmer Road	R	R	N/A
8. Murray/ West Winnipeg Beach	R	R	N/A
9. Day Street	R	R	N/A

R=Rejected

A=Approved

N/A=Not Applicable

Why then, has Council found it difficult to uphold the principles of Plan Winnipeg? Going beyond the usual allegations of lack of commitment, growth mania, etc., which have been levelled at City Council, and examining the debates on each amendment, it is possible to discern three lines of reasoning used by Council in arriving at its decisions. These are discussed below.

3.4.1 Growth Outside City Limits

Several City Councillors believe that one fundamental problem with the Urban Limit Line is that it attempts to control suburban growth within City limits, but it fails to address the far more pressing issue of rural residential growth. City councillors have pointed out that while the City is attempting to control its peripheral growth, the Province and the Rural Municipalities adjacent to



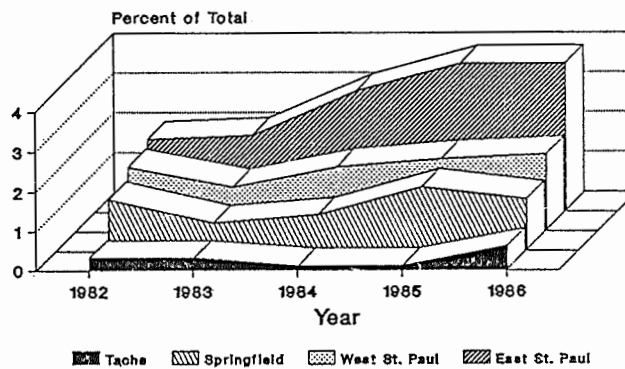
FIGURE 6
LOCATION OF PROPOSED PETITIONS
TO THE URBAN LIMIT LINE

Winnipeg, have allowed an uncontrolled and escalating amount of semi-urban growth just outside of Winnipeg's municipal boundaries. Some councillors believe that by not accommodating development within the City's limits, new growth is being deflected into the surrounding municipalities. Several councillors also believe that Winnipeg can no longer afford to lose taxpayers to the surrounding municipalities. They maintain that the further denial of growth in an already overburdened tax base, will only serve to intensify the strain upon the City's limited financial resources.

In the absence of specific studies on the topic, it is difficult to say conclusively whether or not the Rural Municipalities benefit from suburban growth that is denied within the corporate boundaries of the City. It is true that the surrounding Rural Municipalities have increased their share of single family dwellings in the Winnipeg area (Figure 7). However, most of these dwellings have been accommodated on large lots in rural residential developments and not in suburban type development. While some believe that those who construct homes on large lots do so because they prefer a rural residential lifestyle and not because there is a shortage of suburban residential lots in Winnipeg, others believe that restrictions on one type of residential lots creates demand for other types.

Figure 7

Municipal Single Family Permits as a Percentage of City Total



Source: City of Winnipeg

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Whether or not rural residential development outside of the City's boundaries occurs as a result of limits placed upon suburban development in the City, it would appear that City Council feels frustrated with the absence of complementary policies outside its boundaries. However, some believe that, this alone, provides little basis for approving uneconomical development within the City's precincts. According to them, by approving suburban growth on its own periphery as a reaction to policies operating outside its boundaries, City Council may be setting itself in the proverbial position of one who cuts off his nose to spite his face. Given our earlier discussion, it is difficult to see how Council's approval of development on the periphery can possibly improve its financial resources.

Nevertheless, Council does have a point in maintaining that the City, as a whole, is not much farther ahead in preventing uneconomical growth if the emphasis is upon growth within the City's boundaries alone. When residential development occurs just outside the City's boundaries, pressures can mount to extend City services to these areas. The Rural Municipality of East St. Paul is a case in point. It recently requested Winnipeg to enter into an agreement for the provision of City services to recent rural residential development in that municipality. Although the City has surplus capacity in that area to accommodate this request, some councillors wonder how the extension of municipal services past the Urban Limit Line and beyond the corporate boundaries of Winnipeg can be reconciled with not approving the extension of these services beyond the Urban Limit Line, within the corporate boundaries of the City. To many councillors, this is an absurd distortion which shows how meaningless the Urban Limit Line has become.

Given the above, several councillors do not see why the Urban Limit Line should be such a hard and fast constraint for growth within the City's boundaries.

3.4.2 Dispute About Soundness of Fiscal Analyses

One important issue that surfaces from a reading of Council debates related to applications for the amendment of the Urban Limit Line, concerns the adequacy of analyses conducted to determine the costs to the City, of providing services for the proposed development. Earlier in this paper, it was shown that the elements taken into account by the proponents of a particular development in preparing the Financial Impact Statements are not comprehensive. Councillors have often been confounded by conflicting figures provided by the proponents of the development on the one hand and its professional staff on the other. Debate often degenerates as issues become clouded with the details of cost analysis and a decision is then made on the

basis of how many councillors accept a particular cost figure. Clearly, there is a need for a comprehensive and consistent format for preparing Financial Impact Statements.

The recent decision to no longer require proponents to prepare these statements may remove the dilemma posed by conflicting figures.

3.4.3 Service Capacity as Determinant of Approval

Does the fact that there is surplus service capacity in a particular area provide enough justification to approve an application to amend the Urban Limit Line? This is an issue which Council has had to deal with in considering most of the applications. In all cases where service capacity has been available, Council has interpreted such availability as sufficient reason to accept the application. This perspective has given rise to the expectation among developers that a proponent has the right to approval if it can be shown that sufficient service capacity is available.

On the other hand, the Minister has maintained that the availability of service capacity alone is no reason to amend the Urban Limit Line. He has pointed to the fact that enough serviced land is available within the line. This appears to be an important point of distinction between the perspective of City Council and the Province from the earliest times. It explains why Council has tended to grant petitions for the extension of the Urban Limit Line. It is difficult to see how the objectives of Plan Winnipeg can ever be achieved if Council continues to expand the already excessive serviced land in the City.

3.5 USEFULNESS OF THE URBAN LIMIT LINE

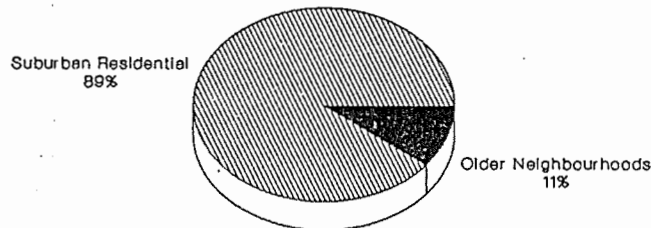
Some planners at City Hall believe that the Urban Limit Line *per se* is not a device to contain the outward growth of Winnipeg or to promote inward revitalization. It merely identifies the area that can be serviced by already installed infrastructure capacity. Actual decisions on where new development is to be located are made through the City's development approval process. Since the land outside the Urban Limit Line has been designated in Plan Winnipeg for non urban purposes, any approval of residential development outside the Urban Limit Line requires the amendment of Plan Winnipeg which, in turn, requires the approval of the Minister. Thus, in effect, even if the Urban Limit Line was abolished, the same approval process would still apply.

To the informed public, the Urban Limit Line has come to symbolize the objective of Plan Winnipeg to achieve the revitalization of older neighbourhoods by limiting outward growth. In reality, however, this symbolism has been of little value in achieving these objectives of Plan

Winnipeg. For example, it was expected that 20 percent of the new housing units constructed during the tenure of Plan Winnipeg, would be located in the older neighbourhoods. So far, this target has not been met. Only 11 percent of the new homes built during the period 1983 to 1989 have been located in the older neighbourhoods (Figure 8).

Figure 8

Percentage of New Housing Units
in Older Neighbourhoods v/s Suburban
Residential Neighbourhoods 1983-1989



Source: City of Winnipeg

IUS 1990

As for the second intended purpose of Plan Winnipeg, i.e. to direct new suburban development to the most cost effective areas, it is difficult to say whether the Urban Limit Line has been a useful tool or not. Discussions with planners at City Hall indicate that there is little consensus, among those involved in providing different services, as to which areas would be more cost effective than others. Given the difficulties in assessing the capital and long term operating costs of new suburban development (discussed earlier in this paper), there is, at least at the present, little information to assess the usefulness of the Urban Limit Line on this score. Some planners at City Hall believe that the Urban Limit Line, by definition has eliminated those areas which would not be cost effective and hence, all areas within it, are more or less comparable in terms of cost effectiveness.

4.0 TOWARD RESOLUTION OF ISSUES

In Section 3, five categories of issues related to the Urban Limit Line were outlined—issues of values; issues related to the fiscal costs and benefits of suburban development; the effect of the Urban Limit Line on land supply and housing prices; problems related to the administration of the Urban Limit Line; and, the usefulness of the Urban Limit Line in achieving its intended purpose. How can these issues be addressed? This is the question that workshop participants will be asked to address.

This concluding section sets out what the Institute of Urban Studies believes might be useful approaches to addressing the issues.

4.1 ISSUES OF VALUES

In a democratic society, issues of values are best resolved through open discussion and consensus building. The Institute believes that the proposed review of Plan Winnipeg should include a strong process for public input into the values and objectives of a new Plan Winnipeg. In this regard, consideration should be given to undertaking an assessment of the methods of participation used in the recent review of development plans in Toronto, Montreal, Ottawa and Vancouver with a view to designing an appropriate participation strategy for Plan Winnipeg.

4.2 FISCAL COSTS AND BENEFITS OF SUBURBAN DEVELOPMENT

Issues in this area are primarily technical in nature. What is required, is an acceptable model for the analysis of capital and operating expenditures (both short term and long term) of suburban development. City administration has already started to develop such a model. The main task is to ensure that the model can also take into account the capital and operating costs incurred by the Government of Manitoba and other non-civic agencies involved in service provision.

4.3 EFFECTS OF THE URBAN LIMIT LINE ON LAND SUPPLY AND HOUSING PRICES

It would appear from the two studies cited in this paper (CMHC, 1982, Kozak, 1989) that the Urban Line does not limit the supply of land for residential development nor increase the price of new homes in Winnipeg. There are several factors that influence the price of housing but with a large supply of land within the Urban Limit Line, the cost of servicing is a more influential factor in the price of housing than is land supply.

However, during the course of Plan Winnipeg's review, it would be useful to assess whether some of the land which is outside the Urban Limit Line can be serviced in a more cost effective way than land within the Urban Limit Line. In this regard, both capital and operating expenditures should be considered.

4.4 ADMINISTRATION AND ENFORCEMENT

The development of a model for the analysis of costs and benefits of suburban development, as suggested in 4.2 above, will resolve one of the two principal issues in the administration and enforcement of the Urban Limit Line. The main outstanding task then, would be to find a way of ensuring that development policies operating outside Winnipeg's boundaries are consistent with those operating within the City's boundaries. The Institute believes that this can be best achieved by adopting a regional planning approach which provides an institutional mechanism for the participation of the City and the surrounding Rural Municipalities in formulating policies for the Winnipeg region. Recently, the Minister of Urban Affairs constituted a Winnipeg Region Committee consisting of representatives of the municipalities in the Winnipeg area. Depending upon the scope given to this Committee, it could serve as a useful forum to develop complementary planning policies for the area.

4.5 USEFULNESS OF THE URBAN LIMIT LINE

It would appear that in the public mind, the Urban Limit Line, has become a symbol of the goals of Plan Winnipeg to revitalize the older neighbourhoods while preventing uneconomical development on the periphery. It is clear, however, that the goals of revitalization have not been achieved. In fact, there is enough evidence that neighbourhoods in the ring which surrounds the older neighbourhoods are now beginning to lose population and pose a major challenge with respect to the utilization of surplus service capacity (schools, parks, infrastructure).

With difficulties in assessing the relative costs of suburban development, there also are doubts as to whether the Urban Limit Line has served any useful purpose in directing new development to the least cost areas on the periphery. In any event, such development appears to be influenced not so much by the Urban Limit Line, but by the policies which govern the location of new suburban development.

Thus, it would appear that the Urban Limit Line, by itself plays little role either in the direction of housing toward the older neighbourhoods or in directing new development to the most cost effective areas of the periphery.

4.6 THE ALTERNATIVES

The fundamental objectives of Plan Winnipeg are still valid. However, in view of the population decline in the older areas, what is required is a reassessment of how much of the new housing activity is to be directed toward the existing neighbourhoods. The Institute believes that the target to accommodate only 20 percent of the new housing in the older neighbourhoods needs to be revised substantially upwards if the older areas are to be stabilized.

What is now required, is a concerted strategy to stabilize the existing neighbourhoods of the City. A substantial infusion of public investment might be required. In the past, the City has forged partnerships with the private sector to undertake new suburban developments such as those in Tuxedo, Lindenwoods and Fort Garry. The time has come to foster partnerships with the private sector to undertake the rehabilitation of the existing neighbourhoods.

Infill and Intensification may simply not occur unless there are viable programs for these activities. Recently, the City of Toronto and the Government of Ontario entered into a partnership to encourage housing intensification on Toronto's main streets. In Winnipeg, the two levels of government need to develop a framework for partnership to address problems such as neighbourhood revitalization, housing intensification and retrofitting of neighbourhoods to utilize excess service capacity. In addition, the two levels of government also need to work closely with Winnipeg's School Divisions to see how the surplus physical plant in the school system can be utilized for other purposes.

Neighbourhood based planning is central to the revitalization of the existing neighbourhoods. It is important that plans be prepared to guide the revitalization of declining neighbourhoods and that these plans be implemented by integrating them in the City's capital and operating budgets. A new Plan Winnipeg should place greater emphasis upon the preparation of neighbourhood /district plans.

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