

Being Realistic About Urban Growth

by

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Being Realistic About Urban Growth

Abstract

This paper distinguishes between cities experiencing high rates of growth and those growing more slowly, and argues that it is critically important to take rates of growth into consideration when policymaking.

Using the examples of Vancouver and Winnipeg, we explore the economic, physical, and political differences associated with their different rates of growth and consider the policy implications of these differences. We critically compare

policies pursued by the two cities in five areas: Economic development, infrastructure and services, land use, planning for growth and housing.

We argue that both slow and rapid growth have advantages and disadvantages, but that policy—especially in slow-growth centres—is often dictated, not by a sober assessment of opportunities and constraints, but by an unreasoning pursuit of growth at all costs.

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Being Realistic About Urban Growth

1. Introduction

Growth is to North American civic leaders what publicity is to Hollywood stars: there is no such thing as bad growth, and no such thing as too much of it. If we take local media seriously, we may come away with the impression that growth is the elixir that cures all ills, from potholes to poverty, and that any city that is not growing rapidly is being “left behind” and is “off the map.” The city is seen, first and foremost, as a “growth machine” (Logan and Molotch, 1987), and is valued only if it conforms to that image.

This growth fixation is a North American peculiarity, and it has deep roots. In both Canada and the United States, the settlement of the west and the industrial revolution were marked by boosterism, as expanding cities competed for investment. (Artibise, 1981; Wade 1959). Within metropolitan areas, a similarly growth-oriented and competitive environment was evident. From the earliest days of suburban development, much of the outward expansion of cities took the form of competition among urbanizing municipalities vying for residential, commercial and industrial development. (Binford, 1985; Logan and Molotch, 1987, 179-99; Lucy and Phillips, 2000; Markusen, 1984) Cities that are growing rapidly, or have grown to a great size, are the ‘successful’, desirable and admired ones, while residents of ‘Nowheresville’ struggle with a diminished sense of self-worth.

Europe is less afflicted with the growth fixation. European metropolitan areas that would be classified by American urban policy analyst Anthony Downs (1994,) as growing slowly or declining include Vienna, Brussels, Copenhagen, Cologne, Frankfurt, Hamburg, Florence, Genoa,

Milan, Naples and Rome (Leo and Brown, 2000)—not a list of prime candidates for a diminished sense of self-worth.

Listening to the growth talk, one might also forget that slow growth is more nearly the rule than the exception, even in North America. Downs (1994, 60-69) classifies cities growing less than 10 per cent a decade as growing slowly. He refers to cities that—like Copenhagen, Hamburg, Florence, Genoa, Milan, Naples and Rome—are losing population, as declining. According to the United States Census Bureau, 118 of America’s 280 metropolitan statistical areas (MSAs) or consolidated metropolitan statistical areas (CMSAs) are growing slowly or declining. [see Table 1 on p. 2] As for Canada, if we consider that 10 per cent growth in a decade is the equivalent of .96 of one per cent per year, assuming a constant growth rate, we can see that Table 2 [see p. 3] shows an even higher rate of slow growth or “decline” for Canadian metropolitan areas. For example, of 26 metropolitan areas in the year 2000, 13 were growing slowly or losing population. For 2004 the figure is 17 out of 28.

Adding to the air of unreality around growth talk, therefore, is the fact that for many cities, rapid growth—though tirelessly discussed and repeatedly advanced as the cure for all ills—remains tantalizingly out of reach. Our prescription for North America’s civic leaders is a stiff dose of realism. We recommend that they resist the seduction of growth talk and build policy on the reality of their situation.

In a previous discussion of the importance of growth rates in setting the conditions for urban policy-making, one of the authors

and a colleague (Leo and Brown, 2000) made the case that, much growth talk to the contrary, slow growth is not a malaise, but that it does impose a different set of conditions upon policy-makers than rapid growth does. Some readers

misunderstood us to be writing in praise of slow growth.

That was not our intention in that article, nor is it here. Our position, rather, is that there are both advantages and disadvantages to both slow and rapid growth. In

Table 1: United States MSAs and CMSAs Selected Growth Rates, Top, Middle and Bottom

| Metropolitan Area Name Rank / City | Census Population | | Change, 1990 to 2000 | |
|--|-------------------|---------------|----------------------|---------|
| | April 1, 2000 | April 1, 1990 | Number | Percent |
| 1 Las Vegas, NV-AZ MSA | 1,563,282 | 852,737 | 710,545 | 83.3% |
| 2 Naples, FL MSA | 251,377 | 152,099 | 99,278 | 65.3% |
| 3 Yuma, AZ MSA | 160,026 | 106,895 | 53,131 | 49.7% |
| 4 McAllen-Edinburg-Mission, TX MSA | 569,463 | 383,545 | 185,918 | 48.5% |
| 5 Austin-San Marcos, TX MSA | 1,249,763 | 846,227 | 403,536 | 47.7% |
| 6 Fayetteville-Springdale-Rogers, AR MSA | 311,121 | 210,908 | 100,213 | 47.5% |
| 7 Boise City, ID MSA | 432,345 | 295,851 | 136,494 | 46.1% |
| 8 Phoenix-Mesa, AZ MSA | 3,251,876 | 2,238,480 | 1,013,396 | 45.3% |
| 9 Laredo, TX MSA | 193,117 | 133,239 | 59,878 | 44.9% |
| 10 Provo-Orem, UT MSA | 368,536 | 263,590 | 104,946 | 39.8% |
| 154 Macon, GA MSA | 322,549 | 290,909 | 31,640 | 10.9% |
| 155 Lynchburg, VA MSA | 214,911 | 193,928 | 20,983 | 10.8% |
| 156 Bloomington, IN MSA | 120,563 | 108,978 | 11,585 | 10.6% |
| 157 Corvallis, OR MSA | 78,153 | 70,811 | 7,342 | 10.4% |
| 158 Fayetteville, NC MSA | 302,963 | 274,566 | 28,397 | 10.3% |
| 159 Portland, ME MSA | 243,537 | 221,095 | 22,442 | 10.2% |
| 160 Johnson City-Kingsport-Bristol, TN-VA MSA | 480,091 | 436,047 | 44,044 | 10.1% |
| 161 Fort Wayne, IN MSA | 502,141 | 456,281 | 45,860 | 10.1% |
| 162 Florence, SC MSA | 125,761 | 114,344 | 11,417 | 10.0% |
| 163 State College, PA MSA | 135,758 | 123,786 | 11,972 | 9.7% |
| 271 Anniston, AL MSA | 112,249 | 116,034 | -3,785 | -3.3% |
| 272 Johnstown, PA MSA | 232,621 | 241,247 | -8,626 | -3.6% |
| 273 Wheeling, WV-OH MSA | 153,172 | 159,301 | -6,129 | -3.8% |
| 274 Alexandria, LA MSA | 126,337 | 131,556 | -5,219 | -4.0% |
| 275 Elmira, NY MSA | 91,070 | 95,195 | -4,125 | -4.3% |
| 276 Pittsfield, MA MSA | 84,699 | 88,695 | -3,996 | -4.5% |
| 277 Binghamton, NY MSA | 252,320 | 264,497 | -12,177 | -4.6% |
| 278 Utica-Rome, NY MSA | 299,896 | 316,633 | -16,737 | -5.3% |
| 279 Grand Forks, ND-MN MSA | 97,478 | 103,181 | -5,703 | -5.5% |
| 280 Steubenville-Weirton, OH-WV MSA | 132,008 | 142,523 | -10,515 | -7.4% |

Source: United States Census Bureau, 2001

addition, we argue that most cities will not change their rate of growth appreciably, no matter what policies they institute, but that they can tailor their policies to capture the benefits of their city's slow or rapid rate of growth, while minimizing the constraints. In the previous article, we pressed our case by compiling a catalogue

of typical slow growth policy failures. These failures originated in the determination of policy-makers in slow-growth cities to induce faster growth or, failing that, to pretend to it.

We also disposed of a number of theoretical problems posed by policy analysis pitched to growth rate. We will not revisit

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|--|------------|------------|------------|------------|------------|
| Total census metropolitan areas | 1.4 | 3.2 | 1.6 | 1.2 | 1.1 |
| Toronto (Ont.) | 2.2 | 2.9 | 2.8 | 1.9 | 1.7 |
| Montréal (Que.) | 1.0 | 1.0 | 1.1 | 0.9 | 0.8 |
| Vancouver (B.C.) | 1.4 | 1.8 | 1.7 | 1.4 | 0.9 |
| Ottawa-Gatineau (Ont.-Que.) | 2.0 | 2.3 | 1.4 | 1.1 | 1.0 |
| Calgary (Alta.) | 2.6 | 2.5 | 2.6 | 1.7 | 1.8 |
| Edmonton (Alta.) | 1.7 | 1.5 | 1.9 | 1.1 | 1.1 |
| Quebec (Que.) | 0.4 | 0.5 | 0.7 | 0.6 | 0.7 |
| Hamilton (Ont.) | 1.4 | 1.5 | 1.3 | 1.0 | 0.8 |
| Winnipeg (Man.) | 0.6 | 0.5 | 0.5 | 0.5 | 0.8 |
| London (Ont.) | 1.2 | 1.0 | 1.1 | 0.7 | 0.5 |
| Kitchener (Ont.) | 2.0 | 1.9 | 1.7 | 1.4 | 1.2 |
| St. Catharines-Niagara (Ont.) | 0.6 | 0.4 | 0.4 | 0.3 | 0.1 |
| Halifax (N.S.) | 0.9 | 0.8 | 1.3 | 0.8 | 0.8 |
| Windsor (Ont.) | 2.1 | 2.2 | 1.6 | 0.8 | 0.7 |
| Victoria (B.C.) | 0.5 | 1.1 | 0.4 | 0.4 | 0.6 |
| Oshawa (Ont.) | 2.5 | 2.2 | 2.4 | 2.6 | 2.5 |
| Saskatoon (Sask.) | 0.1 | 0.2 | 0.4 | 0.3 | 0.6 |
| Regina (Sask.) | -0.3 | -0.6 | -0.1 | 0.4 | 0.7 |
| St. John's (N.L.) | 0.4 | 0.1 | 0.8 | 0.6 | 0.7 |
| Sherbrooke (Que.) | 0.8 | 0.9 | 1.1 | 1.1 | 1.2 |
| Greater Sudbury (Ont.) | -1.0 | -0.4 | -0.3 | 0.1 | 0.0 |
| Abbotsford (B.C.) ¹ | .. | .. | 1.0 | 0.7 | 2.5 |
| Kingston (Ont.) ¹ | .. | .. | 1.2 | 0.8 | 0.5 |
| Saguenay (Que.) | -1.0 | -1.0 | -1.0 | -0.8 | -0.5 |
| Trois-Rivières (Que.) | -0.3 | -0.3 | -0.1 | 0.3 | 0.6 |
| Saint John (N.B.) | -0.1 | -0.5 | 0.1 | 0.2 | 0.2 |
| Thunder Bay (Ont.) | -0.7 | -0.1 | -0.3 | 0.5 | 0.3 |
| .. : not available for a specific period of time. | | | | | |
| 1. Abbotsford and Kingston became census metropolitan areas in 2001. | | | | | |
| Source: Statistics Canada, 2005. | | | | | |

those points here. Our purpose, rather, is to carry the argument a step forward by comparing policies in a slow-growth city, Winnipeg, with those in a growth magnet, Vancouver, in five policy areas: economic development, infrastructure and services, land use, planning for growth, and housing.

What is the significance of these cases? Do Vancouver and Winnipeg represent anything other than themselves? There is no such thing as a typical city, but Vancouver is a Pacific Rim metropolitan area with a population of almost two million whose population grew 8.5 per cent between

1996 and 2001 and Winnipeg is a prairie metropolitan area of almost 700,000 that grew 0.6 per cent over the same time period. (Statistics Canada 2001) One, therefore, is growing slowly, the other quickly, and it is reasonable to assume that many of the observations we make of those communities will resonate elsewhere. The importance of the distinction between rapid and slow growth should also be investigated statistically, in order to gain an overview of a large number of cases, but a comparative case study allows a contextually rich exploration of a largely unexplored terrain.

2. Vancouver

The City of Vancouver is located on the Pacific Ocean, in the southwest corner of British Columbia, which is known locally as the Lower Mainland. The city is surrounded by both suburban sprawl and the fertile farmland of the Fraser Valley. Vancouverites' attitudes toward urban development have been influenced by a strong public attachment to the city's spectacular natural setting, with the ocean or ocean inlets never far away and mountain vistas in the background.

The spectacular setting, year-around skiing in a mild climate, and many other attractions and amenities have made Vancouver a highly desirable place to live and helped it to grow 2.6 per cent annually—a rate comparable to such developing-world mega-cities as Cairo, Jakarta and Rio de Janeiro. (Northwest Environment Watch, 2002, 3) In 15 years Vancouver has swelled from 1.4 million to 2.0 million residents.

Vancouverites' attachment to the city's natural setting has produced widespread dismay at any developments that seem to threaten a valued milieu. That dismay, together with the confidence engendered by the aura of rapid growth, has stiffened the spines of politicians and planners and produced a system of careful planning and strict land use development policy.

2.1 Economic development

British Columbia's economy has been marked by the decline of resource extraction—forestry, mining, oil and gas—and the growth of tourism, advanced technology, financial services, educational services and film production. This transformation has worked to the detriment of much of British Columbia, but to the benefit of

the Lower Mainland. Vancouver's 2001 unemployment rate of 7.2% was markedly lower than province's 8.5% (Statistics Canada, 2001), and employment grew from 1991 to 2000 by 2.6% annually (Vancouver Economic Development Commission, 2001) [see Table 3, over].

Vancouver's favourable location provides the entrée to economic advantage and rapid growth. We will show that this opens a wealth of opportunity that can be seized or lost. It also brings with it, for many Vancouverites, a great deal of adversity, which can be ameliorated or left to fester.

2.2 Infrastructure and services

Infrastructure and services refer to the building and maintenance of all the facilities that are needed to serve the city, including roads, public transit, sewerage, water, parks, education, library branches, community centres, police and fire protection. These facilities represent a potentially ruinous financial burden, as the case of Winnipeg will demonstrate, but Vancouver is avoiding ruin partly through good fortune and partly by policies that take advantage of the city's good fortune. The good fortune is a product of both burgeoning population and geographic situation. These fortunate circumstances have combined, thanks to intelligent policy, in the production of a population density that is high enough to sustain the cost of infrastructure and services.

Vancouver's fortunate geographic situation is marked by the fact that mountains, an ocean and an Agricultural Land Reserve surround the metropolitan area. These factors alone encourage dense development, and the Vancouver CMA is in

fact densely populated, by North American standards, at 690 persons per square kilometre (calculated from Statistics Canada, 2001). This means that on average each component of infrastructure within the metropolitan area, be it a square kilometre of sewerage or the transit lines and community centres serving that area, is shared by 690 taxpayers.

A large population, and its concentration, have produced that result, but with the flabby land use policies that are the North American norm, the mountains, the wa-

ter, and the agricultural land reserve might well have had the opposite effect of encouraging more sprawl, with low density subdivisions straggling on past land reserves and around mountains. However, *Official Development Plan* guidelines have determined minimum densities for the various districts of the Vancouver region, distinguishing between live-work, retail, and industrial areas (Vancouver, 2003). These forces push the market to develop more infill, dense and mixed-use development.

Table 3: Growth Sectors in Vancouver in 2000

| | |
|--|---|
| Advanced Technology | 61,000 jobs (16% growth in 2000); 7,800 establishments operating; Contributed \$3.8 billion to GDP (up 17%); Exports of high tech/biotech almost \$1 billion (up 15%) |
| Information Technology | Largest contributor to GDP with \$1.1 billion in 1999. This sub-sector accounted for 21,000 of 61,000 advanced technology jobs. |
| Bio-technology | Supports health care, agriculture, food production, forestry, mining and waste treatment. 60% biotech result from growth at universities and hospitals. Biotech at UBC alone grew from \$560 million in 1998 to \$1.35 billion in 2000. |
| Environmental | Becoming a world leader in environmental conservation. Location is ideal for environmental technology to expand and for increased investment. Vancouver engineers maintain a world reputation. |
| Tourism | Tourists spent \$2.7 billion, supporting 114,000 jobs in industry. Growing for past 9 years. Ranked by World Tourism Organization as 7th ideal destination with 2.7 million visitors surveyed. |
| Film and Television | 3rd largest film production centre in North America. Employs 35,000 people; Industry spent \$1.18 billion generating \$3.3 billion in economic impact. 3 major film companies, 26 studios, 70 post-production facilities, 50 shooting stages and 200 movies and television features shot annually in Greater Vancouver. |
| Finance, Insurance and Real Estate | 30 foreign banks, 15 international financial institutions, several major banks and regional headquarters for Canadian institutions. As a designated International Financial Centre, Vancouver offers tax and regulatory exemptions for ease of foreign trade and banking. |
| Education | Education accounted for 67,800 jobs. 2 international universities, strong community colleges and various public and private sector schools. |
| Source: Vancouver Economic Development Commission, 2001. | |

The growth-imperative mindset in North America expects the growth, but not the shape of a city like Vancouver. Instead of pursuing a typical pattern of market-dominated suburban development, Vancouver's *Official Development Plan* prescribes conditions and limitations, thus redefining the City's relationship with and role within the market. This is achieved by taking advantage of the fact that a burgeoning economy and a favourable location produce an intense demand for development, and put developers in the mood to accept strict conditions, if necessary, in return for a cut of the profits to be made. (Leo, 1994)

As a result, Vancouver's infrastructure and services are in good shape, operating to a substantially higher standard than those in Winnipeg. Well-maintained roads and sidewalks; good transit connections throughout the metropolitan area by bus, automated rapid transit and catamaran ferries; a wealth of well-kept parks; attractively designed, pedestrian-oriented public places with lots of park benches and well-maintained bus shelters: These are among many signs of a prosperous city that values its public realm and can afford to pay for it.

But the city goes well beyond high quality provision of the basic infrastructure and services. A conspicuous example in the public realm is a system of greenways, (Vancouver, 2004a), which act, not only as natural pathways for leisurely Sunday walks, but as commuter routes for bicycles and pedestrians. They connect stores, parks, neighbourhoods and cultural sites. In addition, public waterfront development and park space is maintained and expanded where possible. This is such a priority for Vancouver that in 1991 the Urban Landscape Task Force was appointed to promote and monitor the use

and development of the urban environment. (Vancouver, 1992).

However, Vancouver's concern with the creation and maintenance of an attractive milieu that promotes human interaction goes beyond the provision of public facilities to strict regulation of private property and its development.

2.3 Land use

It is density that is at the heart of Vancouver's success in managing its infrastructure and services, and density is a matter of land use. In Vancouver's case, two sets of land use measures have been important in raising average densities throughout the Vancouver metropolitan area. One of these, design guidelines, is discussed in Section 2.4 Planning for Growth. The others are the regulations involved in the establishment of Agricultural Land Reserves.

In 1972, in the face of growing concern that British Columbia's meagre supply of high-potential agricultural land was threatened by low-density urban sprawl, the provincial government halted urban development on agricultural land. The lands excluded from urban development were designated as the Agricultural Land Reserve (ALR) and the Agricultural Land Commission (ALC) was appointed to oversee their management. (Smart Growth BC, 2003) Planning control within the ALR remains in the hands of local governments, but the ALC, under its mandate to encourage and support agriculture, reviews local plans, issues guidelines, and where necessary, works with local governments to revise plans that do not meet the guidelines.

The ALC's exclusion of land from urban development enjoys strong public support. Given Vancouverites' concern with

the natural environment, it is not surprising that that support appears to relate more to the ALC's conservation of open space than to its somewhat mixed success in the preservation of agricultural land. (Garrish, 2002/03) By definition, the exclusion of land from urban development limits options for the location of new suburbs, but whether those limits have the effect of concentrating development or simply triggering a search for ever more distant parcels of land for low-density sprawl depends on the presence or absence of effective urban planning controls.

2.4 Planning for growth

Planning controls have been a major concern of Vancouver's civic leaders since 1972, when a civic election brought The Electors' Action Movement (TEAM) to power. TEAM, a reform party focused on the concept of "liveable" cities, initiated an era of extensive and highly restrictive planning controls, broadly aimed at encouraging people to live and work downtown and providing a variety of opportunities for medium and high-density living in neighbourhoods where both amenities and job opportunities are close at hand.

At the same time, considerable emphasis is given to preserving the character of single-family neighbourhoods. Different regulations apply to different Vancouver neighbourhoods, but a look at some of the main principles and regulations applying to the downtown provide a good example of the severity of the restrictions developers face. (Vancouver, 2005)

A foundation of the downtown plan was the decision, in the 1970s, not to develop freeways and thereby, in the felicitous expression of a Vancouver planning official "to let congestion be an ally" (Beasley,

2000, 2) in influencing the choice between downtown and suburban living. In the downtown itself, the city insists on "a rich housing mix" including mixed incomes, both market and non-market housing, special needs housing, and family and non-family households. "The city has emphasized avoiding the creation of the differentiated ghettos that appear in so many other cities. A strong target is to bring security to low-income people who have long resided downtown." (Beasley, 2000, 2)

Innumerable details are prescribed to ensure that medium or high residential densities are combined with convenient and attractive shopping; a pedestrian-friendly street environment; plenty of grass, trees, shrubs and flowers; recreational and community amenities; measures designed to facilitate living close to one's place of work; underground parking and other measures to minimize the encroachment of automobiles on pedestrians; measures to encourage the creation of private courtyards that offer relief from the hubbub of the street; and measures to preserve views of the water, the mountains and landmark buildings. (Vancouver, 2005)

Developers are also required to provide parks, fully developed for recreational use, a sharp contrast with the slivers of land nobody wants that often pass for a developer's park allowance. As a result of the generous park allowances, downtown Vancouver acquired 65 acres of new parks in the 1990s alone.

Most significantly of all, the city insists that the costs of the many facilities and amenities it demands be borne primarily by the development. "Otherwise," Beasley (2000) notes, "we would have seen a taxpayers' revolt, closing the door on housing growth."

In implementing such regulations, Vancouver is breaking all the rules. Many an “expert” has advised city councils across North America that refusal to accommodate automobiles is not feasible; insistence on high-density, family living in a mixed income environment will drive development away; and innumerable demands for design refinements and amenities at developer expense will demonstrate that the city is not open for business, or provoke ruinous legal action. Conventional growth talk includes the frequently voiced belief that any restrictions placed on developers will drive growth away.

Vancouver planning regulations give the lie to that notion, and direct our attention to what ought to be an obvious corollary of the law of supply and demand: If there is money to be made, someone will be found to make it. Vancouver takes care to keep its exactions economically viable, and its regulations, though strict, are clear and transparent. As a result, developers complain, but they comply nevertheless, (Leo, 1994) because Vancouver is a good place to do business and because, at the end of the day, a market for housing or local commerce is one that will be developed locally by Developer Z if Developer Y takes a pass.

Vancouver has no qualms, therefore, about demanding high quality development, with generous public amenities, at the developer’s expense. Being a magnet for development puts the city in the driv-

er’s seat and gives it the confidence to regulate firmly. Despite these restrictions—in fact in part because of them—growth and development continue apace, and the high-quality environment produced by the regulations reinforces the city’s attractiveness as a place to do business. Vancouver illustrates that good opportunities for development bring with them excellent opportunities for the exercise of political clout.

All of this is good news, partly caused by rapid growth. But growth also brings bad news.

2.5 Housing

It is a matter of common experience that a growth-driven hot housing market produces expensive housing. This is not a concern for those who attain the top jobs, but it can be a hardship for the middle class and a nightmare for the poor. A Vancouverite trying to make a living as a cleaner or receptionist in one of the downtown glass towers may be forced to choose between a long commute he or she cannot afford or a residence in a decaying central neighbourhood. Others, unable to pay for housing, may find themselves homeless.

Homelessness is the worst of the housing problem, but not the end of it. It extends into the personal lives of everyone except the wealthy. According to the 2001 Census (Statistics Canada, 2001), the median

Table 4: Cost Of Living and Housing: Comparison, 2001

| | Vancouver CMA (2001) | Winnipeg CMA (2001) | Van. > Wpg. by |
|--|-------------------------|-------------------------|----------------|
| Median household income | \$49,940 | \$44,562 | 12% |
| Average home value | \$294,847 | \$104,331 | 183% |
| Rent \$/month | \$814 (20% of income) | \$540 (14.5% of income) | 51% |
| Mortgage \$/month | \$1,057 (25% of income) | \$755 (20% of income) | 40% |
| Source: Calculated from Statistics Canada, 2001. | | | |

household income in Vancouver CMA is \$49,940. The average renter pays \$814 per month or 20 per cent of the median annual income. The average owner-occupied dwelling is valued at \$294,847 and the homeowner spends \$1,057 per month or 25 per cent of median annual income on mortgage payments.

Moving from Winnipeg to Vancouver increases one's average income by only 12 per cent, but the cost of owning a home skyrockets by 182.6 per cent (Calculated from Statistics Canada, 2001). Renters and homeowners are paying 50.7 per cent and 40 per cent more per month respectively in Vancouver with only a 12 per cent increase in average income.

This gap between wages and housing costs is a direct consequence of rapid growth. The demand for housing is high because of rapid population growth and the supply of affordable housing is limited by the costs of development and land value, and by the profits to be made in the top tier housing market.

City policy-makers have worked hard to overcome these disadvantages, and they have been persistent. A series of developments around an ocean inlet called False Creek is a case in point. One of the earlier phases, False Creek North, was intended to provide an injection of low and moderate-income housing. In that phase, approved in 1988-1990, the developer was required to create 101 out of 511 units, or 20 per cent non-market housing, of which 60 units (2/3 of non-market housing) were set aside to accommodate families (Vancouver 2000; Punter, 2003, 197-202). In addition, considerable emphasis was placed on ensuring significant participation in the development of False Creek North. Many of the good intentions to provide affordable housing, however,

were undermined when heavy demand for housing in a highly desirable location near the centre of the city drove up the price of the housing.

In the next phase, False Creek East, the planners relaxed some of the guidelines for design and accessibility on the premise that they had been too prescriptive in the past, and reduced the amount of public participation in the approval of a development plan. Later they concluded that the relaxation of guidelines and reduction in participation had produced a less desirable result than in the previous phase. (Vancouver, 2000; Punter, 2003, 206-12, but see also 232-38).

As a result, in the most recent phase, Southeast False Creek, the city has returned to a more prescriptive approach, insisting on a 50-50 market-non-market housing split. The city has also insisted that 2/3 of *all* new housing in the development must be for families. As well, the rules for Southeast False Creek are more influenced by environmental considerations. The development is marked by energy efficient technologies, human scale design, a variety of housing types, and buildings that are adaptable to different uses as needs change. (Punter, 2003, 227-32, 239-40; Vancouver 2000)

Vancouver has distinguished itself among North American cities, for its willingness to regulate stringently to ensure good urban design and housing affordability. As the sequence of events at False Creek shows, the city's decision-makers have also shown remarkable persistence in trying bold approaches, evaluating them, and making changes to improve them whenever something is not working as well as it should. The city's status as a growth magnet stands it in good stead in maintaining that degree of rigour, be-

cause developers will put up with a lot for the opportunity to get a piece of the Vancouver action.

But where housing is concerned, rapid growth is more a curse than a blessing—because all of the planners' efforts do not free Vancouver, and especially Vancouver's poorest residents, from the growth-induced high cost of housing. According to two censuses of homeless people, their number in Greater Vancouver doubled from 1,049 in 2002 to 2,112 in 2005. (Greater Vancouver Regional District, 2005) Another report suggested that 125,000 people are at risk of becoming homeless in that they pay 50 per cent or more of

their income for shelter. (Ladner, 2004)

In Vancouver, the resources of service providers to the homeless are stretched to the limit trying to deal with the numbers of people on the street and in temporary shelters. In Winnipeg, meanwhile, service providers assessing the homelessness situation—and recommending action to deal with it—gave top priority, not to shelters and services for street people, but to prevention of homelessness through the provision of more affordable housing. (Leo and August, 2005) That is a luxury that Vancouver service providers cannot afford, but those in Winnipeg can, because they are not overwhelmed by throngs of clients.

3. Winnipeg

Winnipeg has a very modest growth rate, and in terms of collective self-image, an ego to match. The word “decline” is often, and inaccurately, used in describing the city’s economy or population. In self-characterizations, harsh winters and mosquitoes are invariably mentioned – salubrious summer weather and Winnipeg’s acknowledged status as the “performing arts capital of Canada” (Everett-Green, 1996) almost never. If self-deprecation is charming, Winnipeg is Charm City.

Neither Winnipeg’s population nor its economy is in decline. As Table 2 [p.3]

shows, its population growth ranged between five-tenths and eight-tenths of one per cent per year in the five years from 2000 through 2004: A bit slower than Frankfurt, the primary financial centre of continental Europe (0.91 per cent annual average, 1985-95); but much faster than Milan, a powerhouse of the Italian economy (-1.59), and Copenhagen, a city of legendary attractiveness and liveability (-0.28). (Leo and Brown, 2000)

The population growth rate gives still less cause for concern when we consider it together with the growth of the economy,

| Table 5: GDP and Population Change, Vancouver and Winnipeg | | | | | | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | |
| Vancouver CMA | | | | | | | | | | |
| Real GDP at basic prices (Million \$ 1997) | \$50,881 | \$51,838 | \$53,316 | \$55,313 | \$55,589 | \$57,960 | \$61,810 | \$62,393 | \$65,385 | \$68,227 |
| % change from previous year | 5.3 | 1.9 | 2.9 | 3.7 | 0.5 | 4.3 | 6.6 | 0.9 | 4.8 | 4.3 |
| Total population ('000) | 1,788 | 1,845 | 1,907 | 1,958 | 1,985 | 2,013 | 2,040 | 2,076 | 2,111 | 2,141 |
| % change from previous year | 3.2 | 3.2 | 3.3 | 2.7 | 1.4 | 1.4 | 1.4 | 1.8 | 1.7 | 1.4 |
| Real GDP per Capita | \$28,464 | \$28,093 | \$27,962 | \$28,246 | \$27,999 | \$28,799 | \$30,295 | \$30,053 | \$30,969 | \$31,873 |
| Winnipeg CMA | | | | | | | | | | |
| Real GDP at basic prices (Million \$ 1997) | \$16,636 | \$17,197 | \$17,340 | \$18,131 | \$18,983 | \$19,078 | \$19,744 | \$20,354 | \$20,929 | \$21,040 |
| % change from previous year | 2.4 | 3.4 | 0.8 | 4.6 | 4.7 | 0.5 | 3.5 | 3.1 | 2.8 | 0.5 |
| Total population ('000) | 677 | 680 | 679 | 678 | 679 | 682 | 686 | 690 | 694 | 697 |
| % change from previous year | 0.3 | 0.4 | -0.2 | -0.1 | 0.2 | 0.5 | 0.6 | 0.5 | 0.5 | 0.5 |
| Real GDP per Capita | \$24,567 | \$25,299 | \$25,551 | \$26,740 | \$27,956 | \$27,961 | \$28,763 | \$29,494 | \$30,171 | \$30,183 |
| Note: Real GDP has inflation factored out, it is in constant 1997 \$ | | | | | | | | | | |
| Source: Conference Board of Canada, Metropolitan Outlook data set. | | | | | | | | | | |

and when we compare Winnipeg with Vancouver on both dimensions. As Table 5 [p.13] shows, Winnipeg's economic growth from 1994 through 2003 outpaced its population growth in all but two years, and never fell behind. Vancouver did not fare as well, with the result that Winnipeg's per capita GDP steadily gained on Vancouver's.

However one may interpret these figures, they do not suggest that Winnipeg is declining. Very likely they are the numerical expression of an observation that any visitor to both cities can make: Although great wealth is far more evident in Vancouver than Winnipeg, so is extreme poverty, especially in Vancouver's egregiously depressed Downtown Eastside. Nor does a comparison of unemployment rates show that Winnipeg is in greater trouble than Vancouver. On the contrary, Winnipeg's average unemployment rate was the same as or lower than Vancouver's eight out of 10 years—substantially lower most of the time.

Instead of being characterized as decline, Winnipeg's slow growth could easily be seen as an asset, since, in part at least, it stems from the fact that the economic base is a well-balanced mix of agriculture, manufacturing, government (provincial capital and a major regional centre for the federal government) and education (two universities and a community college)—not subject to booms, but also relatively well-insulated from busts.

3.1 Economic development

However, when growth talk dominates the public agenda, such evidence is discounted, and that was the public mood in the 1990s, when Winnipeg was caught up in a kind of collective growth panic. The media vacillated between pessimistic warnings of a clouded future and declarations that "the big break" was just around the corner. If the Winnipeg Jets (a major league hockey team) go, \$50 million a year will be lost to the economy; if the Canadian Wheat Board is abolished or relocated, 5000 jobs will be lost; Winnipeg is about to become a major North American transportation hub, thousands of jobs will be created and millions added to the economy: These are samples of what amounted to a steady stream of journalistic manic-depression.

Economic development efforts were undertaken in a mood akin to that of an addicted gambler, simultaneously desperate and hopeful. The nadir of that phase came in 1995, when the governments of Winnipeg and Manitoba spent some \$55 million (Cdn) in a failed attempt to save the Winnipeg Jets, since renamed the Phoenix Coyotes. (Silver, 1996)

Such actions are a product, not of rational economic calculations but of the irrational fears produced by a growth-driven perspective in which "smaller" also means "less valuable" and "less significant". (Leo and Brown, 2000) The response to those fears in Winnipeg was an economic development strategy apparently designed

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
|------------------|-------|------|------|------|------|------|------|------|------|------|
| Vancouver | 8.8% | 7.9% | 8.0% | 8.3% | 8.1% | 7.7% | 5.8% | 6.6% | 7.8% | 7.2% |
| Winnipeg | 10.4% | 7.9% | 8.3% | 7.3% | 5.8% | 5.9% | 5.3% | 5.2% | 5.2% | 5.2% |

Source: Conference Board of Canada, Metropolitan Outlook data set

to abolish smallness, by competing to attract companies in aerospace and high technology and making Winnipeg a “world grain centre”. (Price Waterhouse 1990, 93-97)

Drawing on the micro-economics literature, Leo and Brown (2000) made a case—which need not be repeated here—that global-scale changes in technology and the economy were reducing many of the advantages that large, diverse companies once enjoyed, while opening new opportunities for smaller enterprises. The article argued that, today more than ever, cities that are not major economic players are best advised to support and promote smaller enterprises and to build on the local economy—not to throw subsidies around in an attempt to compete for major companies with the Vancouvers, Torontos and New Yorks of this world.

In the new millennium, that kind of advice has begun to resonate among Winnipeg’s decision-makers. Both the City of Winnipeg’s 2001 *Homegrown Economic Development Strategy* (Winnipeg, 2001b) and the business plan of the newly reorganized economic development agency, Destination Winnipeg (Destination Winnipeg, 2003), emphasize the identification of existing areas of economic strength, building upon them and seeking opportunities for the export of local production—in preference to luring producers from elsewhere to relocate to Winnipeg.

3.2 Infrastructure and services

In looking at infrastructure and services in Vancouver, we referred to the relationship between development density on one hand and the cost of infrastructure and services on the other, noting that higher average densities across a metropolitan area produce more taxpayers to share the

costs of what can then be higher quality or lower cost services. The case of Winnipeg gives us an opportunity to examine the issue of density and cost more closely.

Much has been written about the city, and the urban development industry, as a growth machine (Logan and Molotch, 1987), but relatively little attention has been paid to urban development as a machine for the production of empty spaces. In the typical North American city, empty spaces appear in both suburban areas and the inner city.

In the suburbs this happens because farms, forests or fields at the edge of the city are rarely developed in strict sequence, with the land nearest to existing urbanized tracts ahead of more distant ones in the development queue. The typical pattern, rather, is leap-frog development—in which a new subdivision goes ahead, not because it is next in line, but because a developer makes a business decision based on the potential market competitiveness of a particular parcel of land he or she happens to own or can acquire, and produces a proposal. It is development proposals, not the cost calculations of city officials, acting on behalf of taxpayers, that drive North American development.

In practice, that means that city officials are more engaged in clean-up operations than in shaping the development of cities. A parcel of land separated from the rest of the city by greenfields will require roads, sewerage, water lines and transit service. These expensive services will have to be extended across lands that generate the low levels of taxation typical of farmland, rather than the much higher taxes that come from urban development.

Once a new subdivision is occupied, its residents will require conveniently-lo-

cated community centres and library branches and they will insist on the same response times for fire fighters, police and paramedics that residents of more densely-populated areas of the city enjoy. Street cleaning, snow removal, grass cutting, insect control, and everything else the municipality does will have to serve empty parcels of land as well as full ones. It is easy to see that Vancouver, with 690 persons per square kilometre, has an easier time paying its bills than Winnipeg, with 162. Even if everyone in Winnipeg lived in expensive homes and everyone in Vancouver in modest bungalows—which is decidedly not the case—Winnipeg would have trouble keeping pace.

Someone will object that both the Winnipeg and Vancouver CMAs—but especially metropolitan Winnipeg—include large areas belonging to urbanizing municipalities, where thinly scattered residences may require a much lower level of municipal services. That is true, but as it turns out, a comparison of the cities of Vancouver and Winnipeg produce much the same result: Population densities, respectively, of 4,759 and 1,332. By either calculation, Winnipeg is forced to spread its services far more thinly than Vancouver.

To be sure, a gross calculation based only on population density skips many important details, but more detailed investigations have produced similar results. A variety of studies that, among them, have calculated the infrastructure costs associ-

ated with different densities and settlement patterns, as well as the differences between uniform and mixed-use developments, make it clear that the low-density, single-land-use development that is typical of North American suburbs and exurban areas carries a heavy price tag. (Leo *et al.*, 2002, 125-26; Wheaton and Schussheim, 1955; Isard and Coughlin, 1957; Stone, 1973; Real Estate Research Corporation, 1974; Essiambre-Phillips-Desjardins Associates *et al.*, 1995).

Studies that go beyond infrastructure to calculate the costs of other services (Blais, 1995; Greater Toronto Area Task Force, 1996) similarly demonstrate that higher densities and greater proximity of different types of development (houses, stores, offices) produce substantial savings compared with the isolated residential districts, shopping centres and industrial areas typical of North American suburban development.

What does all this have to do with slow and fast growth? By sheer force of numbers and distance, cities necessarily densify as they get larger, even if they are badly planned, and if they are growing rapidly, they densify more quickly. As a practical matter, that means that when leap-frog development takes place at the edge of metropolitan Vancouver, the empty spaces that represent a taxpayer liability get filled in quickly, while in Winnipeg, they languish for a long time as empty spaces and taxpayer liabilities.

Table 7: Comparative Population Densities

| Jurisdiction | Population 2001 | Area sq. km. | Density per sq. km. |
|--------------------------|-----------------|--------------|---------------------|
| Vancouver CMA | 1,986,965 | 2,878.52 | 690 |
| Winnipeg CMA | 671,274 | 4,151.48 | 162 |
| City of Vancouver | 545,671 | 114.67 | 4,759 |
| City of Winnipeg | 619,544 | 465.16 | 1,332 |
| various sources | | | |

That is one way that North American urban development is a machine for the production of empty spaces. The second empty space machine is the decay, followed possibly by abandonment, of many inner city neighbourhoods adjacent to the commercial heart of the city. In a city that is growing rapidly, development pressure tends to produce rapid gentrification or expansion of downtown towers in those neighbourhoods. In slow-growth centres, the decay simply continues, and empty lots sprout, producing more untaxable land that must be serviced.

Accordingly, in Vancouver's poverty-stricken Downtown Eastside, gentrification and the encroachment of the financial district have been ongoing issues. In Winnipeg's centrally-located North End and West End neighbourhoods, community organizers battle to save older residential districts by renovating houses and developing pocket parks, community gardens or new, affordable homes. Gentrification or office development is out of the question in much of that vast area.

Slow, sprawling growth carries a heavy price tag for Winnipeg, and the most readily quantifiable part of what amounts to a structural deficit is the deterioration of older infrastructure. A meticulous 1998 survey of Winnipeg's infrastructure found a massive disparity between the amount needed to maintain existing infrastructure and the amount actually being spent. Regional streets, for example were found to be \$10.2 million a year short of the required amount. Even more drastic was the situation of residential streets, which were found to have benefited from an average annual budgeted expenditure of \$2.5 million, compared with a requirement of \$30 million, a disparity of \$27.5 million each year. (City of Winnipeg 1998, ch 3)

Although there has been no careful study since 1998, no one imagines that the situation has improved. Estimates of the total infrastructure deficit vary between \$1 and \$2 billion. Both academic commentators and the popular imagination tend to associate the problem of sprawl with rapidly growing cities (Downs, 1994, 152), but a comparison of Winnipeg and Vancouver suggests that slow-growth cities pose the biggest sprawl problem. (Lennon and Leo, 2001)

An understanding of how the production of empty spaces piles up liabilities also provides insights into the matter of Winnipeg's alleged decline. The word "decline" springs to mind when Winnipeg is mentioned, not because of anything to do with either economic or population growth, but because of a proliferation of empty storefronts and decaying houses in a number of downtown districts, a profusion of potholes, and a sewer system so badly deteriorated that sinkholes open up in the streets and swallow automobiles and construction equipment.

A good share of this deterioration stems from the willingness, indeed the determination, to spread the city so thinly as to deplete the resources available for the maintenance of existing infrastructure and services. Winnipeg's problem is not slow growth, but mismanagement of growth. The visible deterioration, in turn, eats away at the self-confidence that would be needed to enforce some sensible measures for better management of growth. The vicious cycle is not one of decline, it is one of mismanagement, leading to loss of confidence, leading in turn to unwillingness to correct the mismanagement.

East St. Paul, home to the most expensive real estate in the metropolitan area, saw a population increase of 19.3 per cent during the same period. The municipality actually had more *absolute* population growth than Winnipeg, even though Winnipeg's 2001 population was about 620,000 to East St. Paul's 7,700. Headingly, another formidable competitor for Winnipeg's urban growth, grew by 20.2 per cent.

In meeting that competition, Winnipeg not only suffers from the tax imbalance imposed on the deliverer of metropolitan-style services for the whole region, but also lacks Vancouver's drawing-power as a growth magnet. The situation obviously calls out for some form of regional land use regulation, or perhaps tax equalization, to right the imbalance—but there seems to be little chance of that.

Manitoba's idea of dealing with regional issues is something called the Capital Region Committee, consisting of the mayors and reeves of 16 municipalities in the metropolitan area and the provincial ministers of Intergovernmental Affairs and Conservation. This is supposed to be a body for the discussion and resolution of regional growth issues, but its composition tells the whole story of its capacity to exercise control over regional growth. The 15 municipalities, with a population of about 52,000, that stand to gain by siphoning development away from the city, have 15 votes; and the city itself, with 620,000 population, has one vote.

Another sign of Manitoba's steadfast commitment to regional growth rules is the fact that the Capital Region Committee's web site is, at this writing, about two years out of date. (Manitoba, n.d.) Effective action to deal with regional growth issues is not on the political agenda, and there is no relief in sight.

Successive Progressive Conservative and New Democratic governments have similarly permissive attitudes toward regional urban growth, and slow-growth Winnipeg suffers acutely as a result.

3.4 Planning for growth

At less than eight per cent of the CMA population, the number of persons who have so far opted for tax havens outside the city is not in itself alarming. More worrisome for Winnipeg is the fact that there are now locations outside the city with the necessary service infrastructure, as well as the political will, to compete with the city on all fronts—residential, commercial and industrial. Commercial and industrial development is flourishing in Headingly, immediately west of the city, and seems imminent north of the city. Residential development is blooming on all sides.

Even more significant, however, is the degree to which the existence of this competition is affecting the political will of city residents and decision-makers to control sprawl within the city. A recent case in point is City Council's quick approval of an application to rezone a large parcel of farmland known as Waverley West for neighbourhood development.

It is estimated that Waverley West will ultimately accommodate some 40,000 residents (Winnipeg City Council, 2004), more than 37 times as many as were added to Winnipeg's population between 1996 and 2001. The approval came in the face of an estimate by city planners that more than 20,000 greenfield lots could be brought on-stream in areas of the city already zoned for neighbourhood development. (Winnipeg, Planning, Property and Development, 2004, 13)

We will not repeat the arguments for and against Waverley West, including complex disagreements over population growth estimates, land availability, locational preferences of consumers and changes in household size. More important for our purposes are the two arguments that were crucial in generating support for the decision. One was a direct result of urban development in municipalities near Winnipeg and the other seems to have been the product of wishful thinking about growth. Both are emblematic of the kind of policy thinking that goes with wishful growth talk.

The first argument was a successful attempt by the Manitoba Home Builders' Association to convince the public and city decision-makers that a critical lot shortage within the city would drive new development into adjacent municipalities. (McNeill, 2004a, 2004b, 2004c) The second was the sudden "discovery" by city planners that Winnipeg would experience an abrupt and sharp increase in its population growth. A bit of this increase was attributed, correctly, to changes in immigration policies applying to Manitoba—but other sources of the putative population boom remained a mystery. To all appearances, the wish for rapid growth was the illegitimate parent of the thought.

If events prove opponents of Waverley West right, the incident very succinctly sums up the dilemmas facing slow-growth cities in a growth-obsessed soci-

ety: A city, whose leaders are eager for faster growth, grasps at every development proposal—heedless of the fact that the inappropriate locations, densities and neighbourhood designs of many of the proposals will have the cumulative effect of steadily undermining the city's ability to provide quality services and infrastructure. The wish for growth defeats rational planning, becomes the source of ill-considered policy and undermines first the city's collective self-confidence and ultimately its viability.

3.5 Housing

One of the advantages of slow growth is that it keeps housing prices down. Vancouver's housing affordability problem, therefore, is mirrored in Winnipeg by a policy opportunity. With single-family homes available for \$60,000 (Cdn) or less, government incentives for the provision of moderate and low-income housing do not come at a high price to the taxpayer. Since decaying inner-city neighbourhoods are a problem that comes with slow growth, affordable housing provision can bring the added benefit of stabilizing threatened neighbourhoods—all at a much lower cost in Winnipeg than in Vancouver.

All three levels of government have recognized these opportunities. For decades, the federal government's Residential Rehabilitation Assistance Program (RRAP), with the help of a 25 per cent provincial

| Table 8: WHHI Funding Commitments—Levels of Government | |
|---|--|
| Level of Government | WHHI funding over three years (2000-2003) |
| City of Winnipeg Programs | \$4.2 million |
| Province of Manitoba—NHA | \$6 million |
| Federal NHI Programs | \$23.5 million |
| Source: Leo and August, 2005. | |

contribution, has been subsidizing the renovation of older homes. The provincial government also pays for home renovations through its Neighbourhood Housing Assistance program (NHA), which targets inner city neighbourhoods, and the City has its own home renovation fund.

But there have also been squandered opportunities, growing directly out of a failure to appreciate the policy implications of growth rates. In this case the federal government was the offender. In 1999, the spectacle of large numbers of people living in the streets, especially in Toronto, motivated the federal government to appropriate \$753 million over three years for the National Homelessness Initiative (NHI).

Winnipeg's share of these funds was administered through the Winnipeg Housing and Homelessness Initiative (WHHI), a single-window government office staffed by all three levels of government where anyone wishing to fund a homelessness initiative could get information about funds available from all three levels of government. That looked good at first glance, but the problem was that the federal government's NHI funds were only available to deal with the problems of street people. They could be used for shelters, transitional housing, and services to homeless people but they were not available for housing development or renovation. (Leo and August, 2005)

That may have been a reasonable set of

conditions for rapidly growing Toronto and Vancouver, where housing is expensive and the numbers of street people substantial. It was not appropriate for Winnipeg, where the problem of visible homelessness is much less serious but where decaying inner-city neighbourhoods contribute to an acute problem of inadequate housing. Winnipeg service providers to the homeless saw the prevention of homelessness — keeping the inadequately housed from descending into homelessness — as central to their mandate, but they argued in vain for a re-appropriation of NHI funds to housing renovation and development. As a result, by far the largest share of WHHI funds went to lower-priority services to street people instead of the decent, affordable housing and safe inner-city neighbourhoods that represent a slow-growth city's best chance to keep people off the streets.

As the initial three-year WHHI agreement expired the federal government tacitly recognized the service providers' complaints by implementing another program, the Affordable Housing Initiative (AHI), equally cost-shared by the federal and provincial governments. At this writing, a multi-year AHI agreement for Manitoba amounts to almost \$74 million. This goes a long way toward addressing the concerns of Winnipeg service providers to the homeless and near-homeless, but whether it implies a recognition of the importance of tailoring urban policy to a city's growth rate remains uncertain.

4. Slow And Fast Growth

Vancouver and Winnipeg are facing very different challenges and opportunities. Our findings show that Vancouver has created many of its opportunities for itself. Policy makers have used Vancouver's drawing power as a lever for good planning. Vancouver has been growing rapidly, as the growth-imperative model anticipates, but has enjoyed much success in shaping the growth of the region.

Winnipeg is not faced with intense population growth, yet its decisionmakers cannot muster the courage to control the dispersal of the region's population. There is no iron law that dictates either city's reaction to its circumstances. Many a growth magnet's policy is premised, not on the objective of exercising its growth leverage in the interest of good planning and growth management, but on the premise that its "openness for business" is responsible for its growth, and that growth will continue only at the expense of a minimally regulatory development regime.

Meanwhile, the low collective self-confidence North Americans typically associate with slow growth produces an exaggerated sense of powerlessness. City councils in such cities as Winnipeg become accustomed to accepting that mobile businesses can demand concessions based on their ability to locate, or relocate, elsewhere. (Leo, 1994) Often, this distasteful knowledge is generalized into the belief that it is impossible ever to refuse a developer's demands.

That belief overlooks the difference between a mobile development, which could do business from various cities, and one tied to a particular locality, such as a retail business or a residential subdivision. While Winnipeg is unquestionably subject

to limitations in the terms and conditions it can dictate to a corporate branch office or branch plant, it could be in substantially the same position as Vancouver with respect to residential and retail development—on one condition.

That condition—unfortunately a big one—is that the provincial government take action to ensure relief for the City of Winnipeg from the one-sided competition it faces from surrounding municipalities. As we have shown, these municipalities are able to offer a spacious, semi-rural environment and low taxes, with the added benefit of access to the services and economic opportunities of Winnipeg, without the obligation to share the costs borne by residents of the city.

Relief from this competition could take the form of either a tax-sharing arrangement or, more constructively, some growth management rules to ensure that the entire region develops in such a way as to safeguard the environment and the viability of the region's network of infrastructure and services.

Some things are overdetermined by the rate of urban growth. As long as the contrast in the two cities' rates of growth persists, Vancouver will not have the benefit of Winnipeg's affordable housing and Winnipeg will not enjoy Vancouver's impunity in dictating terms to mobile corporations; the contrasts between wealth and poverty will remain more glaring in Vancouver, but the street life will be livelier and the economic opportunities more numerous and varied.

However, given intelligent management and sensible intergovernmental co-operation, there is no serious reason why both

cities cannot enjoy high-quality services and infrastructure; safeguards for air, water and soil, both within the city and surrounding it; a significant amount of affordable housing; attractive, functional, well-designed neighbourhoods; and a

lively, diverse core. Slow growth will make some of these boons easier to achieve and rapid growth will be an advantage in the pursuit of others. The only unqualified bane is growth talk and the policy illusions it brings.

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