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STRAINED INTERGOVERNMENTAL RELATIONS, JURISDICTIONAL COMPLEXITY,  
AND POLITICAL POSTURING: THE FEDERAL GOVERNMENT'S INTERVENTION IN  
THE DEVELOPMENT OF TORONTO'S CENTRAL WATERFRONT THROUGH THE  
HARBOURFRONT CORPORATION

by

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in  
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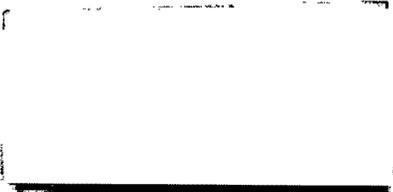
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ABSTRACT

This paper explores the role that the federal government has played in the development of Toronto's central waterfront. Specifically, it focuses on the role and operation of the Harbourfront Corporation, a federally-owned organization that was charged with orchestrating the redevelopment of the central waterfront. This paper provides a brief history of Toronto's waterfront and an overview of the roles of the levels of government in Canada with respect to urban affairs and waterfront redevelopment. It analyzes the creation, operation, and dismantlement of the Harbourfront Corporation, with special attention paid to the organization's objectives, relations with other levels of government, and contributions to the waterfront. Finally, it outlines some lessons to be learned from the Harbourfront project.

Key words: An article on waterfront redevelopment in Toronto. Used the key words: planning; redevelopment; urban waterfronts; government.

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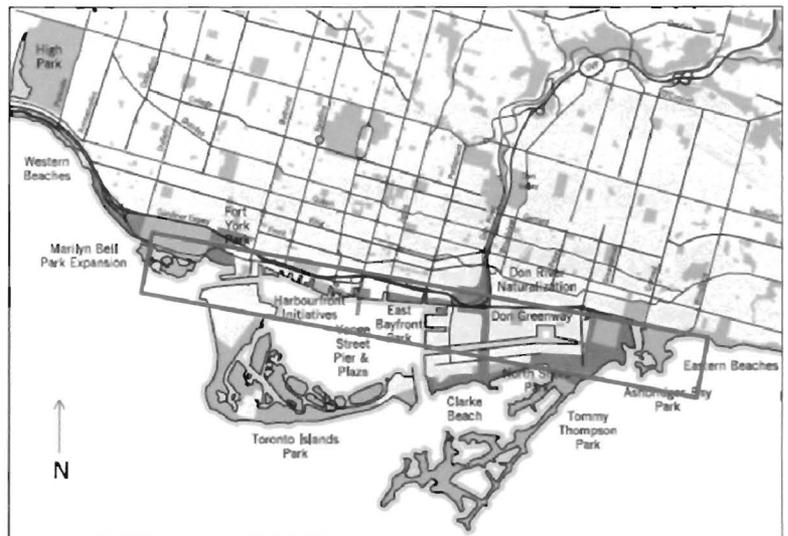
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## 1.0 Introduction

Toronto's central waterfront is the kind of place that brings out a wide variety of emotions in the city's residents. Some are proud of its transformation from a decaying industrial area to a desirable mixed-use neighbourhood. Others are passionate about the cultural richness that the area provides through the arts-related programmes that take place there. Yet others are disappointed with certain aspects of it, such as its urban character and amount of park space. Despite one's personal feelings, though, no Torontonian can deny that the waterfront is a work-in-progress. It is a place rich in history, and the story of the waterfront is long and as of yet unfinished.

What is visible along the waterfront in 2010, approximately two hundred and sixty years since it was first used as a trading post by French colonists, is the result of numerous plans, actions, and disputes between various stakeholders. Although the City of



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Toronto and the Province of Ontario have both helped to shape the waterfront, much of its transformation from an industrial port to a mixed-use neighbourhood can be attributed to acts of the federal government. The federal government has been involved in the waterfront's affairs since its very beginning. From the creation of the Harbour Trust in 1850, to the creation of the Toronto Harbour Commission in 1910, to the creation of the Harbourfront Corporation in the 1970s and its subsequent dismantlement some years later, the federal government has played a large role in shaping the central waterfront (Wickson, 2002).

Redeveloping industrial sites is no easy task, but the process becomes compounded when the site in question is an urban waterfront and it isn't clear who is responsible for deciding the land's future. The roles and responsibilities of the three levels of government in Canada, a federalist nation, are dictated by the Constitution. With respect to waterfront development, the federal government is clearly responsible for trade and fisheries, and thus it has traditionally overseen all major ports in Canada. Local planning is primarily a municipal responsibility, but it is the provinces that are ultimately responsible for municipalities and they set the planning framework for the local municipalities to operate in. The federal government is left without a clear role in planning cities; thus, it often plays an indirect role, usually through federal policies and practices that are targeted at urban problems.

The federal government's role in urban affairs and development has often been challenged due to its lack of Constitutional responsibility for cities. This paper will explore the role that the federal government has played in the transformation of Toronto's waterfront. In particular, it will focus on its intervention in the form of the Harbourfront Corporation. The goal of this paper is to analyze the federal government's intervention in Toronto's waterfront (via the Harbourfront Corporation), including its motivations for intervening, the jurisdictional framework it was operating in, and its relations with other levels of government throughout the process.

To ensure clarity throughout the paper, the term "Harbourfront" will be used to refer to the lands along Toronto's waterfront that were controlled by the Harbourfront Corporation. The term "Harbourfront Corporation" will refer only to the Corporation itself.

## **1.1 Analytical Framework**

A combination of primary and secondary sources has been used to approach this topic. Secondary sources consisting of academic journals, government reports, planning reports and history books comprised the bulk of the information used for analysis.

In order to analyze the federal government's intervention in the development of Toronto's waterfront, it is necessary to understand the jurisdictional context within which the federal government operated in. A review of governmental responsibilities in Canada has been undertaken with special attention paid to the responsibilities of the federal government for urban affairs and waterfronts. In order to better understand how the waterfront has been transformed from an industrial hub to its state today, a brief historical review of the waterfront was undertaken. This review included events from the waterfront's beginnings in the 1700s to the creation of Harbourfront Corporation in the 1970s. Together with the jurisdictional context, the historical review sets the first stage for analysis.

The next step was to examine the history of the Harbourfront Corporation in particular, with a focus on its structure, roles, and contributions. The goal of this step in the research process was to learn factual information about the federal government's role in the development of the waterfront. After compiling factual information, secondary sources detailing academic opinions were consulted with respect to the federal government's intervention with the Harbourfront Corporation as well as with respect to urban development corporations in general. These opinions were sometimes divergent, but nonetheless formed a preliminary foundation for analysis.

To bolster the analysis of the federal government's intervention in Toronto's waterfront, the federal government's intervention in two other cities was examined. The federal government undertook large redevelopment projects in Winnipeg and Vancouver around the same time it created the Harbourfront Corporation. A brief history of Winnipeg's Core Area Initiative and Vancouver's Granville Island redevelopment were detailed, allowing for comparisons to be made between the three developments. This put the federal government's intervention in Toronto's waterfront in a clearer perspective and allowed for conclusions to be made about the development of Harbourfront in particular.

## **2.0 Governmental Framework for Urban Waterfront Redevelopment in Canada**

Before analyzing the federal government's role in the transformation of Toronto's waterfront in particular, it is necessary to examine the role of the federal government in cities and waterfronts in general. The following section will explore the federal government's constitutional role in urban affairs and planning as well as in urban waterfronts.

### **2.1 Levels of Government in Canada and Their Roles in Cities**

Canada officially became a nation with the passing of the British North America Act in 1867, and the Canadian Constitution comprised a large part of this Act. It laid the framework for a federal-style form of government, setting out the division of powers between the central federal government and the provincial legislative assemblies.

The division of powers set forth in the Constitution presents some challenges for modern-day Canada. The Canada of 1867 could scarcely be more different from the Canada of today. At the time of confederation, only four provinces existed: Ontario, Quebec, New Brunswick, and Nova Scotia (Department of Justice Canada, 2010). The railway which later tied the west with the east wouldn't be completed until 1885. Although urban centers did exist at the time the Constitution was written, nobody could have predicted the extent to which Canada would urbanize during the 20<sup>th</sup> Century. Canada is now one of the most urbanized nations in the world, and yet urban areas still receive no recognition in the Canadian Constitution (Bourne, 2000).

### 2.1.1 The Federal Government

The division of powers in Canada (as set out in the Constitution) is detailed in the following table:

**Table 1: Division of Powers in Canada (Department of Justice, 2010)**

<b>Federal</b>	<b>Provincial</b>	<b>Municipal</b>
Citizenship	Education	Economic development
Defense	Health care	Emergency services
External relations	Justice	Land use planning
Indian Affairs	Municipalities	Libraries
Money and banking	Natural resources and environment	Public transportation
Navigation and shipping	Property and civil rights	Sewage
Trade regulation	Welfare	Waste Collection

As the table above demonstrates, the federal government has little tangible jurisdiction over cities, and no direct jurisdiction over the planning and development of cities. Its responsibilities certainly affect citizens of cities, but due to the limits of constitutional powers, federal government involvement in cities has traditionally been indirect in Canada (Bourne, 1979). Goldberg & Mercer (1980) note,

In Canada, the federal role has been minor in those areas which were delegated to the provinces under the Canadian Constitution. Municipal institutions, real property, and all matters of a purely local nature are areas of responsibility originally allocated under the British North America Act to the provinces and jealously guarded by them ever since. (p. 162)

Indeed, “on the constitutional front, the authority of the federal government in urban affairs has always been challenged because local government and land-use planning clearly lie in the provincial domain” (Wolfe, 2003, p. 3). Although the federal government might not be responsible for local land use planning, it still has a substantial influence in every-day city life. Bourne (1979) argues,

Through housing practices, combined with manpower and mobility programs, transport policies, immigration, rail and air tariff regulations, harbour and airport locations, and civil service employment distribution, the federal influence on urban development in Canada has been substantial. (p. 26)

Much of the federal government's involvement in cities revolves around the Canada Mortgage and Housing (CMHC) and the divesting of federal land of military, transportation, and institutional uses (Wolfe, 2002). However, in some cities, such as Vancouver, Winnipeg, and Toronto, the federal government has intervened directly in local planning and urban development by creating federally-owned urban development corporations. These corporations give the federal government a voice in local planning by making the federal government a direct participant within the land use planning process.

In most situations, development on federal land within cities is subject to local planning approval just like any other development. For example, the Canada Lands Company, an arms-length, self-financing Crown Corporation charged with managing federal properties, is obligated to seek planning approval. Although the Canada Lands Company operates with a mandate given to it by the federal government, "it cannot go into a community and simply do as it wishes when it decides to develop a particular piece of land. This is in keeping with Canada's tradition of respecting the division of power between federal, provincial and municipal jurisdictions" (McIvor, 2009).

### **2.1.2 Provincial Governments**

Similar to the federal government, provincial governments in Canada are indirectly involved in cities in very important ways. Since they are responsible for administering health care and education, decisions made by the provincial governments affect the everyday lives of citizens in cities. With respect to urban development, provincial governments are responsible for initiating system-wide standards of urban physical development and often play a role as a consultative body for local planning agencies, but the day-to-day planning decisions made in cities are left up to the local governments (Wolfe, 2002).

Canadian municipalities typically have the authority to make their own planning decisions, but the process is somewhat more complicated in Ontario. In keeping with its responsibility for initiating

system-wide standards of development, the Province of Ontario is responsible for issuing Provincial Policy Statements, which are intended to give clear, overall policy directions on matters of provincial interest related to land use planning and development (Ministry of Municipal Affairs and Housing, 2008). Based on the direction provided in the Provincial Policy Statement, upper- and lower-tier municipalities craft Official Plans, which are documents that set out the municipality's general land use goals and policies and are intended to guide future land use decisions. In this sense, the Province does have a significant influence over land use decisions made by municipalities, but this influence is tempered by the fact that the Provincial Policy Statement is only intended to act as a guide and it is up to municipalities to interpret the Statement and apply it as they see fit.

Although municipalities in Ontario enjoy a certain level of autonomy in making land use planning decisions, these decisions are occasionally subject to Provincial approval. The Ontario Municipal Board, an arms-length administrative tribunal of the Province of Ontario, has the power to overrule municipal land-use decisions. The Ontario Municipal Board's role is to resolve disputes regarding land use planning issues and is often charged with making decisions regarding disputes between municipalities and developers.

### **2.1.3 Local Governments**

Local governments have only those powers granted to them by their provincial governments. They handle matters of a purely local matter, such as emergency services, waste removal, and libraries. They also control land use and urban development within their borders, a responsibility delegated to them by provincial governments.

Bourne (1979) notes, "historically, urban planning in Canada, as in most parliamentary democracies, has been primarily a local responsibility. Municipalities have been vested with the greater part of statutory physical planning powers" (p. 25). Local governments typically craft plans intended to guide development within their borders (termed Official Plans in Ontario). They

approve or reject development applications and (with the exception of Ontario and the Ontario Municipal Board) usually have the final say over land use decisions.

## **2.2 Levels of Government in Canada and Jurisdiction over Urban Waterfronts**

Although the governmental responsibility for land use planning in cities is complicated, in most situations the local government is able to make decisions autonomously as long as they have regard for the general policy direction given by the province. However, the lines drawn in the Constitution become fuzzy when dealing with waterfront lands and thus jurisdictional problems become considerably compounded in waterfront cities. Tunbridge (1988) argues:

All three main government levels in Canada have an interest in waterfront activity, but their powers are constitutionally divided... conflicts arise – between government levels and between departments at the same level – through jurisdictional uncertainties and through divergent mandates and philosophies. (p. 76)

The federal government does have a very clear role to play in urban waterfronts, as trade and fisheries fall under federal jurisdiction. But to what extent does this responsibility allow the federal government to control waterfront development? Major port facilities in Canada are federally-controlled, but “all land not owned or controlled by the federal government for the fulfillment of [trade] functions falls under provincial jurisdiction, subject to such land-use control as the provinces have seen fit to delegate to municipalities” (Tunbridge, 1988, p. 77). It seems that all three levels of government have a legitimate say in what happens on waterfront lands. Clearly, the lines begin to blur with respect to waterfront development. As such, development of urban waterfronts can be a slow and painful process.

### 3.0 Historical Context

To fully understand the federal government’s role in the development of Toronto’s waterfront, it is necessary to understand how the area has changed and how the federal government has helped (or hindered) this change. The history of the waterfront features several interventions by the federal government that went well beyond its responsibility for ports.

A useful way of understanding the transformation of Toronto’s waterfront is to look at it through the lens of Brian Hoyle’s five-stage process of the evolution of the port-city interface. Hoyle (1989) argues,

There is a common sequence of stages of port city development and a common set of factors underlying the continuing development of cityports; an understanding of this sequence and these factors is essential to a proper analysis of cityport planning problems. (p. 434)

Hoyle (1989) observes that the gradual separation of the port and the city has occurred all around the world and can be “illustrated from most countries with a seaboard” (p. 430). Hoyle (1989) argues that four facts underlie this phenomenon: (a) the evolution of maritime technology; (b) the scale of modern ports and ports-related industries; (c) the decline in port-related employment within port cities; and (d) changing environmental perspectives on port-industrial and urban activities (p. 430). Due to these four factors, most port cities will go through a five-stage evolution of port-city linkages. This five-stage process is outlined in Figure 2 below.

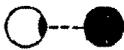
STAGE	SYMBOL ○ city ● port	PERIOD	CHARACTERISTICS
I Primitive port/city		Ancient/medieval to 19th century	Close spatial and functional association between city and port
II Expanding port/city		19th early 20th century	Rapid commercial/ industrial growth forces port to develop beyond city confines with linear quays and break-bulk industries
III Modern industrial port/city		mid-20th century	Industrial growth (especially oil refining) and introduction of containers/ro-ro require separation/ space.
IV Retreat from the waterfront		1980 s-1980 s	Changes in maritime technology induce growth of separate maritime industrial development areas
V Redevelopment of the waterfront		1970 s-1990 s	Large-scale modern port consumes large areas of land/ water space, urban renewal of original core

Figure 2: Port-City Evolution (Hoyle, 1989)

The development of Toronto's waterfront did not mimic this process exactly, but it has followed it very closely. The following section will describe the Toronto's changing port in detail.

### **3.1 The Beginning of Toronto's Harbour**

The land in and around what is now Toronto was mostly populated by Native tribes until the beginnings of the fur trade brought European activity to the area in the 1700s. Recognizing its strategic location, the French brought the Toronto Harbour into existence in 1751, when they built a large outpost near the mouth of the Toronto Bay (Wickson, 2002). The area was thought to be the best "natural harbour" on Lake Ontario. It was circular and sizeable, and perhaps more importantly, it was protected by a long, narrow, crescent-shaped peninsula with a restricted western entrance (now known as the Toronto Island). The outpost's location was complementary to Fort Niagara on the other side of the lake, and the French also saw the fact that the Toronto harbour was free of ice earlier than all of the other ports on the lake as a major asset (Wickson, 2002).

The newly formed outpost was a hub of fur trading activity. Recognizing the area's importance, the federal government arranged the "Toronto Purchase" in 1787 and negotiated a land deal with the local indigenous people. This deal included a 28-mile stretch of land along the lakeshore from a point west of the Humber River all the way east to the Scarborough Bluffs (Wickson, 2002).

Harbour activity increased steadily, but improvements to the harbour did not keep up with the pace of activity. The federal government was seemingly uncaring about Toronto's harbour, and resentment grew as it became known that the government was spending ten times the amount of money on improvements to the St. Lawrence waterways (and thus Montreal, Toronto's rival) as was spent on Toronto's harbour (Wickson, 2002).

Toronto's businessmen, merchants, and shippers were taxed on all goods that came into the port and despite the lack of federal investment Toronto's harbour prospered and generated income. But

without any new investment or technology, the port could not expand beyond its relatively small size.

### **3.2 Expansion and the Golden Age of the Toronto Harbour Commission**

In the 1840s, the Toronto Board of Trade proposed that a five-person trust be established to administer harbour affairs. It was thought that this trust could attract investment to the harbour and better care for the harbour's condition. As per the Toronto Board of Trade's advice, the colonial (federal) government passed an act in 1850 creating the Commissioners of the Harbour of Toronto, which was more commonly known as the Harbour Trust (O'Mara, 1976). The commissioners' duties included preparing plans and estimates for harbour improvements, managing works undertaken, and regulating all vessels using the Toronto Bay (Wickson, 2002). But despite the organization's promising new role, the Harbour Trust's contribution to the harbour was disappointing at best. The condition of the harbour continuously deteriorated despite the organization's mandate. This was partially attributed to the fact that the Trust suffered from a lack of cooperation from the stakeholders and the city. Perhaps more importantly, the Trust operated under very limited resources and was constantly under pressure to reduce harbour dues. It frequently ran deficits and made regular appeals to the federal government and the City of Toronto for assistance (O'Mara, 1976, p. 32).

In the early 1900s, it became well-known that the Harbour Trust had "ceased making any positive contributions to the improvement of the harbour before the turn of the century" (O'Mara, 1976, p. 15). The federal government did contribute some money towards public works projects, but it was considerably less than what it was spending on Montreal's harbour and this brewed resentment in Toronto's business community. Wanting a "level playing field," the Toronto City Council formed the Special Committee Regarding the Waterfront in June 1910. This Committee was formed to make recommendations on harbour works, as by this time, both City Council and the local press

were convinced that the City couldn't successfully manage harbour renewal on its own (O'Mara, 1976).

At this period of time, the municipal councilors were regarded as "hopeless inept" and many thought that the Harbour would best run by persons "beyond the reach of politics"; "level-headed businessmen" were more apt for the job than politicians (O'Mara, 1976, p. 15). Semi-independent agencies were in vogue and thought to be particularly conducive to port operations. Often created due to perceived inadequacies in the existing governmental framework, semi-independent agencies could recruit personnel and employ experienced businessmen as directors instead of civil servants. It was thought that semi-independent agencies were appropriate for situations in which such agencies needed to enter predominantly private fields with the hope of competing with business interests (O'Mara, 1976).

After performing an analysis of the harbour situation, the City's Special Committee Regarding the Waterfront recommended the creation of a new semi-independent harbour agency. Shortly thereafter, in May 1911, Wilfred Laurier's federal government passed the Toronto Harbour Commissioner's Act. This Act created the Toronto Harbour Commission (THC), providing for five non-political commissioners serving three-year terms. Three were City of Toronto appointees, two were federal government appointees, and one was nominated by the Board of Trade (O'Mara, 1976, p. 37). The Toronto Harbour Commission had absolute authority from the Humber River in the west all the way to the city's eastern boundary. It was given the power to enforce its regulations as well as the ability to raise capital on its own behalf. Specifically, it had two main functions:

1. To regulate, control, or prohibit building operations within or upon the harbour, excavations, removal or deposit of material, any other action which would affect in any way the docks, wharfs, or channels of the harbour or the bed of the harbour or the land adjacent.
2. To regulate and control the use and development of all land and property on the waterfront within the limits of the City, and all docks and wharfs, channels,

buildings and equipment erected or used in connection therewith (O'Mara, 1976, p. 31).

The THC was unique in Canada's port administration system at the time. It was not entirely outside or independent of local and national government structures, but it also wasn't within the standard government framework, which would have made it unambiguously accountable to citizens (Desfor, 1993). Its dual role, whereby it was to manage the port operations and act as a development corporation, was also unique. It was able to act as a developer, borrowing directly from banks (a behavior typical of private corporations), but it was also allowed to expropriate land (almost always an exclusive ability of public entities) (Desfor, 1993).

Concurrent with the creation of the THC was the arrival of new technologies that made the expansion of ports feasible and necessary if they were to stay competitive. Steamboats became widely used, and this in combination with the arrival of the railway dramatically changed the face of Toronto's port. Lacking a desirable east-west railway route through the city, the railway companies saw Toronto's waterfront as the ideal location to lay an east-west track. The new Grand Trunk Railway separated the waterlots from the rest of the city with the placement of several tracks just south of Front Street. The waterfront became essentially inaccessible from the city; any citizens that wanted to reach the waterfront had to cross a series of rail tracks. The unfortunate occurrence of many fatalities scared people away from the waterfront, much to the chagrin of the wharf owners.

Indeed,

the railways' stranglehold on the waterfront had come at the expense of the private wharf owners, who had lost considerable business. The waterfront had become home to a ramshackle collection of decrepit warehouses and decaying wharves, many virtually inaccessible. The time had come for a new vision of the entire waterfront. (O'Mara, 1979, p. 32)

Just such a new vision was articulated in the THC's 1912 Plan. The plan called for: industrial development in the waterfront's eastern section; commercial docks and light manufacturing in the central section; and parks, walks, and boulevards in the western section (O'Mara, 1976). The plan

also called for the filling in of approximately thirteen-hundred acres of Ashbridge's Bay; this was intended to remedy a public health problem as well as to upgrade the industrial output of the harbour (Desfor, 1993). The THC completed several large-scale infrastructure projects (including the Ashbridge's Bay project) and became well-known for its lakefilling abilities.

### **3.3 Growth and Modernization**

Toronto Harbour's thrived during the First World War, the interwar period, and the Second World War. The completion of the Welland Canal in 1932 as well as the completion of the railway viaduct south of Front Street dramatically increased water industrial traffic on the central and eastern waterfront. The opening of the Toronto Island Airport in 1931 also brought more activity to the area (O'Mara, 1976). After World War II, there was a boom in manufacturing and industrial development on the waterfront, and plans for further expansion were in place. The THC intended to use the fill from the construction of the forthcoming subway to further expand the harbour, thus advancing the separation of the port from the existing city.

Things were on the up-and-up for industry in Toronto. The opening of the St. Lawrence Seaway was expected to dramatically increase the importance of Toronto's port. The THC as well as the citizens of Toronto were optimistic about the future of the waterfront and thought that the city was poised to handle new industrial growth.

As industry expanded in Toronto, population and employment expanded in its suburbs too. In 1950, the City of Toronto applied to the Ontario Municipal Board (a provincial agency) in 1950 for permission to amalgamate most of the land area of the then thirteen municipalities in the region. This would, ostensibly, give the City more control over development in Toronto and its vicinity.

The Ontario Municipal Board considered Toronto's application and instead of approving it, it established a two-tier metropolitan government federation instead. Metropolitan Toronto was created by the Province of Ontario in 1953 and was made up of representatives of thirteen

constituent municipalities. Metropolitan Toronto was designed to resolve “mainly a planning and development problem, in the sense that a jurisdiction was needed that could plan, finance, and implement the major physical services necessary to a growing urban area” (Cameron, p. 247). With respect to planning, the Metro level was responsible for establishing an Official Plan for the larger metropolitan area. Local planning boards could still make decisions over planning issues within their boundaries, but they were expected to plan in conformity to the Metro plan (Rose, 1972).<sup>1</sup>

### **3.4 Deindustrialization**

In the 1960s, the THC began shifting its focus exclusively to shipping and industry, basically placing all of its bets on an expanding industrial base for the waterfront. This proved to be a risky move. The opening of the St. Lawrence Seaway did not have the effect on Toronto’s port that was expected; due to containerization and the decline of the importance of coal imports and steel production, Toronto’s port traffic began to decrease (O’Mara, 1976). By the early 1960s, waterfront industry had started to move to deeper water or to other locations within the city. This left land unused in the port district (Desfor, 1993).

As early as 1965, the City of Toronto’s Planning Board had recognized that the manufacturing industry was of decreasing importance as a source of employment within Metropolitan Toronto. Indeed, between 1950 and 1980, the city would lose more than one-half of its industrial employment (Desfor, 1993). But the THC remained in a state of denial, continuing to invest in its shipping facilities. By the early 1970s, the THC was in serious trouble. Its debt far exceeded its revenues. The THC had no choice but to reconsider its primary purpose and source of revenue; as Desfor (1993) notes, “the THC was experiencing the difficulties of operating in a de-industrializing urban economy” (p. 173).

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<sup>1</sup> Changing population demographics, employment trends, and settlement patterns brought many changes to Metropolitan Toronto’s structure and goals. The City of Toronto Act of 1997 amalgamated Metropolitan Toronto with its six member municipalities, which are now all considered to be part of the City of Toronto.

The THC began to see promise in non-industrial real estate development. The city's core had steadily begun to move southward toward the lake, making residential development of the waterfront a possibility. In 1964, the THC sold a prime waterfront site to a private developer on which several high-rise residential buildings and a hotel were built. The THC also sold land to the Toronto Star, which relocated its headquarters near the waterfront. Bolstered by these successes, the THC produced a plan in 1968 entitled, "A Bold Concept for the Redevelopment of the Toronto Waterfront." This plan was highly criticized, as "some of its components were extremely contentious and ill-thought-out" (Desfor, 1993, p. 173).

### **3.5 Waterfront Redevelopment and the Harbourfront Corporation**

In the 1970s, attitudes towards the federal government and its responsibility for urban affairs started to change. During this decade, it became clear that Canada was urbanizing at a very fast pace. The federal government's limited role in cities began to make less and less sense given current population trends. Recognizing the potential for the federal government to play a larger role in cities as well as the need for better coordination between levels of government, the federal government established the short-lived Ministry of State for Urban Affairs (MSUA) in 1971. The Ministry was created to "coordinate the activities of the government of Canada in establishing cooperative relationships with the provinces and their municipalities for the enhancement of the human environment" (Basford, 1972).

Intended to act as a policy rather than a program department, the MSUA was to focus its efforts in three major areas with the goal of integrating federal efforts in the urban arena: policy development, coordination, and research (Wolfe, 2003). Several large-scale urban redevelopment projects were spear-headed by the federal government during the time of the MSUA. <sup>2</sup>

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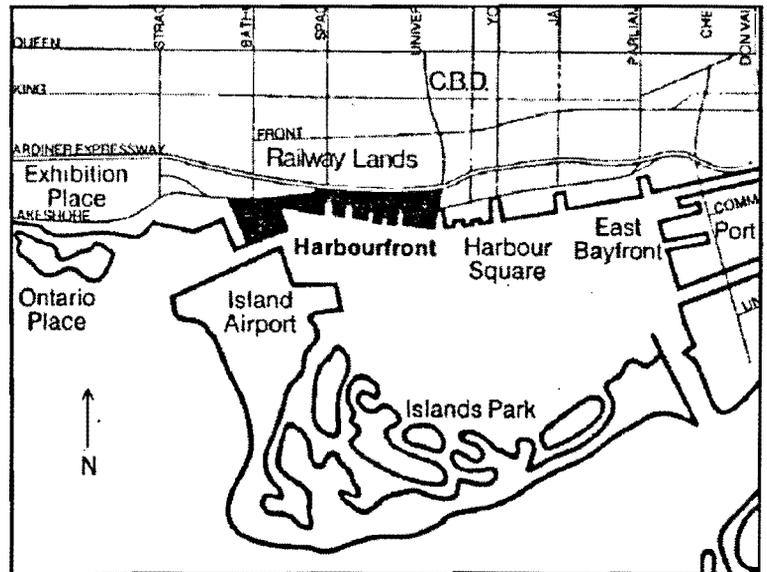
<sup>2</sup> Due mostly to conflicts with other levels of government and other government departments, the MSUA was disbanded in 1979.

The federal Liberal party enjoyed a majority government in the late 1960s and 1970s, with Pierre Trudeau as its leader and the Prime Minister of Canada. But in early 1972, with an election looming ahead, Trudeau became concerned that he was losing votes and was in danger of being defeated in the upcoming October election. As a strategy to win votes, he announced a plan for the federal government to assemble a network of leisure areas, which he referred to as “candies for the people” (Radwanski, 1978).

Trudeau was especially concerned about his popularity in Toronto. He felt that unless he found some sort of “blockbuster” for Toronto, he would be “clobbered” in the upcoming election (Radwanski, 1978). Trudeau and his government went about acquiring and assembling land in cities across the country, including Vancouver, Winnipeg, and Toronto. The federal government struck a deal with the THC whereby the THC gave the federal government land along the waterfront in exchange for equal value in federal improvements to port facilities (Wickson, 2002). The deal was worth approximately \$54.4 million.

Just weeks before the October 1972 election, the federal government publicly announced that it was establishing “Harbourfront,” a ninety-two acre expanse of land along Toronto’s central waterfront. The land was intended to function as a year-round waterfront park (Crombie, 1989). This announcement

came as a surprise to both Toronto citizens and the provincial and local governments; it was a sudden and seemingly out of the blue move for the federal government.



By intervening, a government spokesperson said that the federal government was,

...taking the initiative to expropriate and assemble the site because it believed that this was the last chance to prevent a “ceramic curtain” of high-rises from being built by private-sector interests. These interests were poised to develop the waterfront in a way that the federal government was convinced would permanently block public access to the waterfront. (Crombie, 1989, p. 49)

Specifically, the Harbour Castle Hotel and the Harbour Square development, both arranged by the THC, were the developments the federal government feared could be replicated elsewhere along the central waterfront (Desfor et al., 1989). The first step the government took after the announcement of the Harbourfront project was to create a vision for the area. Government spokespersons communicated a vision of a human-scale revitalization of the site, where a range of public amenities and activities would be provided in a park-like setting that took advantage of the waterfront location (Crombie, 1989, p. 55). But there was a concern that no activity would take place in the area if revitalization consisted solely of physical development projects. At the time, the Harbourfront site was “inaccessible, semi-derelict, and separated from downtown Toronto by more than a kilometre of equally run-down space” (Crombie, 1989, p. 50).

The government decided that there needed to be activities in the area to attract the public to visit. Arts programming was the vehicle the government saw for getting people to the waterfront. While the visioning of the physical character of the area was still in its initial phases, public programming, managed by the federal government, began in 1974. In comparison to securing the future of the physical development of the waterfront, managing the programming proved to be a simple task.

The vision the government espoused immediately after the announcement of the Harbourfront project was very popular with the public. It centered on public spaces and parks, always a winner with the public. But despite the vision’s public appeal, “the first five or six years of redevelopment efforts at Harbourfront were marked by indecision and an apparent lack of direction” (Desfor et al., 1989, p. 496). This can be attributed in no small part to what Gordon (1997b) refers to as the

“botching” of the start-up of the Harbourfront project by the federal government. The first mistake was announcing the project before consulting (or even informing) the municipal and provincial governments. Secondly, the federal government displayed an apparent lack of regard for Toronto’s planning talent with respect to how it managed the Harbourfront Corporation. The federal government hired consultants from Montreal and administrative staff from Halifax while it ultimately attempted to manage the project from Ottawa (Gordon, 1997b). This did not bode well for the federal government’s relationship with Toronto.

Partially because of this, it took six years of debate, primarily with the City of Toronto, for the federal government to make progress in the redevelopment process. Eventually, a consensus emerged. Desfor (1989) notes,

After a number of years of strained relations between politicians and planners representing different levels of government, some largely unsuccessful public participation planning programmes, various fruitless attempts to produce a consensus on the objectives of development, and reorganizations of Harbourfront itself, the institution was transformed into a Crown corporation to enable it to operate more effectively as a developer. (p. 496)

The Crown Corporation was to be called Harbourfront Corporation, and was established in 1978. The new corporation published the Harbourfront Development Framework in October of that same year, which was approved by all four levels of government. The Harbourfront Corporation was responsible for developing, managing, and operating its site in accordance with the Development Framework. This framework included four goals:

- 1) The development of Harbourfront as Toronto’s central waterfront;
- 2) The preservation and development of Harbourfront as a public place;
- 3) The development of Harbourfront in ways that would take into account its special location, conditions, and history, and;
- 4) Achieving financial self-sufficiency through proper organization and management of Harbourfront lands (Harbourfront Corporation, 1978).

The Harbourfront Corporation was also responsible for initiating, conducting, and/or sponsoring cultural, recreational, scientific, and educational programs that, in its opinion, were advantageous to the public (Crombie, 1989).

Although the Development Framework was well-written, the vision it displayed was curiously different from the one the federal government articulated in 1972. The federal government's stated intention for creating the Harbourfront project was essentially to save it from over-development by the private sector. But Crombie (1989) notes, "as additional elements were added, the original concept changed almost imperceptibly, and began to include more buildings, an urban character, and reduced emphasis on park and open space" (p. 55). The acceptance of the Framework marked an "about-face from an initial concept of developing an urban park, to a notion of extending the 'urban fabric' to the waterfront" (Desfor et al., 1989, p. 104).

What was the reason for the about-face? Desfor (1989) speculates that the plan set out in the Development Framework was in fact based on the Corporation's requirement to achieve self-sufficiency, which was one of the goals in the Framework. Indeed, the Development Framework (1989) states the following:

Clearly, if a sound financial base is to be secured, new investment must take place on Harbourfront lands; investment which brings the operations of the Corporation to the breakeven point. Each year this goal is not achieved further deficits are incurred. Thus, it is important to take steps to ensure self-sufficiency within the foreseeable future. The goal is to generate enough additional revenue from the lands to achieve a breakeven point within five to seven years. (p. 13)

Arts and culture programs and the operation of parks are clearly not a particularly profitable venture; thus, it stands to reason that the sale of land to developers would be necessary for the Harbourfront Corporation to ensure a sufficient cash-flow. So the Harbourfront Corporation started out small, looking for opportunities to create modest successes while site clearance and infrastructure development were underway (Spafford, n.d.). The Harbourfront site was not a particularly desirable place to live during the early 1980s. The Harbourfront Corporation realized

early on that it would have to market the area to a special group of people that would enjoy the waterfront while being able to overlook the construction externalities and the lack of amenities in the area. The Harbourfront Corporation began to market developments to boaters and young urban professionals (Spafford, n.d.).

Private investment built up slowly in the late 1970s, but came to an abrupt halt during the 1982 – 1984 recession. All of the real estate projects stopped after the financial institutions stopped lending, and it was almost impossible for the Harbourfront Corporation to secure new private investment during this recession (Gordon, 2000). But the Harbourfront Corporation's Board of Directors was a creative bunch. It consisted of non-partisan, well-connected local people that were politically savvy and understood the context of planning in Toronto. The Harbourfront Corporation pioneered the concept of pre-selling condominium units before construction; this was a way to mitigate the massive risk a builder takes by beginning construction before selling units. Toronto as a whole was also enjoying a period of relative political stability in the early 1980s, with a long-lasting Conservative provincial government, Liberal federal government, and a New Democratic Party-oriented local government.

This stability was interrupted when the federal Liberals were defeated in the 1984 election and replaced with Brian Mulroney's Conservative government. Driven by a strong neo-liberal ideology, Mulroney immediately tasked his government with finding ways to reduce government expenditure on non-essential programs and services. In 1985, he appointed a Ministerial Task Force on Program Review (also known as the Nielsen Task Force) to recommend places for the federal government to scale back its involvement. The Task Force recommended the divestiture of the Harbourfront Corporation to the private sector or to another level of government (Crombie, 1992).

The Harbourfront Corporation's Board of Directors repositioned the organization from an urban renewal agency into a public-private partnership. The Harbourfront Corporation convinced the new

government that it required little investment from the federal government and that the federal government had nothing to lose by keeping the Corporation under its wing. Reasonably happy with the situation, Mulroney decided to keep control of the Harbourfront Corporation and the Harbourfront lands but replaced the Board chairman with a Conservative from suburban Toronto and filled vacancies with partisan supporters (Gordon, 1997b).

The restructured Harbourfront Corporation threw itself into pursuing financial objectives. The Harbourfront Corporation's plans (which built upon the Development Framework) had been approved by both the federal government and the City of Toronto in a special agreement that provided for the lease of sites to private developers at prices which would repay the site preparation, infrastructure, and programming costs. "The economics of the situation ensured that, to generate the required revenue, development must take the form of high-density residential schemes, luxury condominium projects, and expensive commercial and retail space" (Desfor et al., 1989, p. 496).

Toronto's Central Waterfront was Canada's biggest construction site from 1984 – 1987. But this wasn't viewed in a positive light by everyone. By 1986, the increasing rate of construction had spawned public controversy. A particular project, consisting of three high-rise residential towers on the north side of Queen's Quay, was singled-out as the example of what residents of Toronto didn't want on the waterfront and what they were afraid the waterfront was going to look like.

In light of the controversy, the Harbourfront Corporation voluntarily imposed a moratorium on new construction while several government reassessments of the development plans were conducted (Desfor et al., 1989). A federal review of the plans was completed by September 1987, and in a formal letter, the Harbourfront Corporation was asked to clarify its vision by restating its goals, establishing new development and urban design plans, and preparing for the evolution of the Corporation's role and mandate (Crombie, 1992). But by the time the Harbourfront Corporation

received this letter, it had already prepared a new development plan, entitled Harbourfront 2000, and was ready to discuss the plan with the City.

A battle then ensued over park space. The City would accept nothing less than the amount of parkland that had been designated under the 1978 Development Framework, and developers didn't want to relocate their projects to make room for the requisite parks. The City stubbornly refused to consider Harbourfront 2000 until its parks requirement was accepted. In order to force its position, the City passed an interim holding by-law in February 1988 under the 1983 Planning Act. This affected the entire Harbourfront site and changed the existing voluntary freeze on development into a formal suspension.

The Harbourfront Corporation scrambled to repair its relations with the City and the federal government. It managed to make some progress with respect to a new plan and vision for the waterfront. But in 1989, the Ontario Minister of Municipal Affairs, John Sweeney, unexpectedly froze all development along the Toronto waterfront on the day before the City's interim control bylaw was to expire and the new Harbourfront agreement was to take effect (Crombie, 1992). The Minister was unsatisfied with the public access to the water's edge and thought all development should stop until this issue was addressed.

With all development frozen for over a year, The Harbourfront Corporation was stuck covering both its capital and operating requirements from short-term development revenues. No development revenue was rolling in, while the public programming expenses mounted. In March 1988, the federal government stepped in and appointed David Crombie to head a Royal Commission on the future of Toronto's waterfront. Crombie approached the study with a focus on "breaking the bureaucratic gridlock" and "getting things done" (Desfor et al., 1989). Crombie ended up identifying more than forty-seven government agencies, boards, and special-purpose bodies with some jurisdiction on the waterfront, and this bolstered his resolve.

Crombie ended up recommending that the development function of the Harbourfront Corporation be separated from the public programming function. He determined that the federal government had no interest in developing land along Toronto's waterfront and thus recommended that the federal government terminate the Harbourfront Corporation and create a new entity, the Harbourfront Foundation, to continue providing and managing the Harbourfront area's public programming activities. Crombie also recommended that lands not needed to endow this new foundation should be disposed of.

The federal government endorsed Crombie's recommendations and the Harbourfront Corporation was dismantled in 1990, with only half of the project completed (Gordon, 1997a). In 1991, the Corporation was restructured as a non-profit cultural organization, operating on a 10-acre site encompassing York Quay and John Quay. The balance of the Harbourfront Corporation's federal landholdings was transferred to the Queens Quay West Land Corporation for development by the City and private interests (Wickson, 2002). The Harbourfront area became a magnet for private developers, and many upscale mid- and high-rise condominium buildings were built during the 1990s, in complete opposition to the federal government's initial vision for the lands.

## **4.0 Analysis**

The following chapter will detail two other redevelopment projects managed by federally-created urban development corporations. This will allow for comparisons to be made between the federal government's actions with the Harbourfront Corporation and the Harbourfront lands and its actions with other projects in the same era. The chapter will then outline urban development corporations, including the purposes they are created to serve and some possible reasons the federal government has for creating them. This chapter will end by putting all of the information together and outlining the conclusions made.

### **4.1 Federal Government Redevelopment Projects in Other Cities in the Same Era**

The Harbourfront project was one of several redevelopment projects that were spawned by the federal government in the 1970s. To allow for a more thorough analysis of the federal government's influence on Toronto's waterfront, it is useful to examine examples of the federal government's involvement in redevelopment projects in other cities during a similar time frame, including the government's stated motivations for establishing these corporations as well as their administrative structures. Like Toronto, Winnipeg and Vancouver went through a phase of deindustrialization which affected lands adjacent to their downtown cores. The following section will briefly detail the Winnipeg Core Area Initiative (CAI), which was first conceived of in the 1970s. It will also outline the redevelopment of Vancouver's Granville Island, which was announced just after the federal government assembled the Harbourfront site in Toronto.

#### **4.1.1 Winnipeg's Core Area Initiative**

The area around the confluence of the Red and Assiniboine Rivers in Winnipeg had served as an important location for trading and meeting for centuries. When the area was designated as the East Yards of the Canadian National Railway, it became a major centre for transportation and industry in

Manitoba. But with the expansion of the road system and the growth of the trucking industry, activity in the area began to decline. By the early 1970s, sixty-five acres of land lay vacant in the core of Winnipeg.

In 1972, Prime Minister Pierre Trudeau announced the Byways and Special Places Program, which was intended to commemorate historic communication routes and to adapt them for recreational use. The former rail lands were immediately thought of as an ideal candidate to be converted for recreational use. Eight years later, after the cutting of much bureaucratic red tape, the Core Area Initiative was launched in 1980 as a massive attempt to revitalize Winnipeg's inner city. This was largely the result of hard negotiation work by Lloyd Axworthy, the Minister of Employment and Immigration in Prime Minister Trudeau's cabinet.

The federal government's motivation behind its intervention in Winnipeg went beyond its desire to revitalize the city's core area. The Trudeau government was suffering from its controversial energy policies and their resulting increasing western alienation. Axworthy wanted to show that the federal government "could be a major partner in community-level development" (Stewart, 1993, p. 86). But the Liberal government was unable to negotiate a land deal with Canadian National Railway. The project was stalled until 1984, when Brian Mulroney's newly elected Conservative government managed to acquire fifty-six acres of land at The Forks.

Once the land was in place, planning and implementation could begin. A task force was created to review issues pertaining to the site, to develop concept and financial plans, and to design an implementation mechanism (Leo & Pyl, 2007). The task force recommended the establishment of The Forks Renewal Corporation, an independent body that could make decisions at an arm's length from government. This corporation would be able to direct all of its focus to The Forks area.

Unlike the Harbourfront Corporation, the CAI was designed as a tri-level initiative from the beginning. All costs were to be shared equally by the three levels of government. But perhaps more importantly, all three levels of government had a say in development. The City of Winnipeg enjoyed two controls over The Forks. It was an official stakeholder, with two members on The Forks Board of Directors. These members were accountable to the mayor, who was then in turn accountable to City Council; this ensured that Winnipeggers could have a voice in development matters. All development proposals had to be approved by the City of Winnipeg, and all developments had to adhere to Winnipeg's zoning regulations. An overlap in planning responsibilities between the province of Manitoba and the City was created intentionally to ensure that dialogue and communication would take place.

The CAI has been described as a "uniquely unblemished success" (Leo & Pyl, 2007, p. 19). Of course, relations between the three levels of government were not always smooth, and disagreements did occur. But what is important to note is that the CAI was conceived of as a cooperative project from the beginning. The City, Province, and federal government were all to have an equal say over development. The federal government can take credit for acquiring the land but it was one of three voices in the planning process.

#### **4.1.2 Vancouver's Granville Island**

Perhaps the most well-known and well-regarded redevelopment project the federal government has ever been involved in is the transformation of Granville Island in Vancouver. Much different from its current state today, Granville Island in fact used to be called "Industrial Island" due to the manufacturing and shipping activities that took place there (Davis, 2007).

Granville Island officially opened for business in 1916. Its location along False Creek was close to sawmills and next to shipping channels. Activity in the area steadily grew and by 1930, about

twelve hundred people worked in the island's factories building steel rivets, band saws, bolts, and cement, among other things, to serve the forestry and mining industries (Davis, 2007).

Industrial activity on the island stopped abruptly during the Depression, but was revived in 1939 with the start of WWII. During the war, the island produced defense equipment at a fast pace. However, things changed after the war and many of the island's biggest customers began prefer truck transport to water and sought cheaper land (Davis, 2007). And to make matters worse, new technological advances in shipping and production made it so that modern ships could not physically make it to Granville Island. The island fell into disrepair and was regarded as a slum by Vancouverites.

In the late 1960s, a land economics study of False Creek was completed. It was discovered that the Canadian Pacific Railway charged such low rents that plants in the area had no incentive to move (Davis, 2007). However, some saw the area as an ideal location for an urban mix of public use and housing. In a serendipitous event, the province of British Columbia struck a deal with the Canadian Pacific Railway to acquire the railway lands along False Creek in exchange for a larger piece of land along English Bay. The Province then gifted the land to the City of Vancouver, as well as the responsibility for (re)developing it.

Although the City of Vancouver owned much of the land, it was controlled by the federal government due to its waterfront location. Ron Basford, the future Minister of State for Urban Affairs, was the Member of Parliament for the Granville Island area during the 1970s. He was a strong advocate for the redevelopment of the island and began agitating for change. The CMHC had already begun the transformation of False Creek across from Granville Island, and Basford viewed this as fuel to start the transition of Granville Island. He transferred the control of Granville Island from the National Harbours Board to the CMHC in 1973 (Davis, 2007). The federal government then granted \$25 million for the redevelopment of the Island (Cook, 2009).

The federal government hired private consultants from Vancouver to conduct a study of redevelopment strategies for the island. A concept for the redevelopment was created, with an emphasis on the preservation of industrial buildings and public space, as well as a de-emphasis on housing. With the concept plan in place, the government then looked to implementation mechanisms. Donofrio (2007) notes,

In order to carry out a streamlined implementation of these plans, the federal government saw the necessity of a dedicated administrative process, led by one team. To this end, the government... appointed the Granville Island Trust, an advisory board, and eventually administrative body, composed of officials and professionals of various backgrounds. (p. 29)

The redevelopment proceeded and was a near-instant success. The island became financially self-sustaining in 1983, and the federal government now commands a healthy tax profit from the island. Granville Island is regarded as a virtually undeniable redevelopment success, and much of this has been attributed to the federal government. Donofrio (2007) notes,

the project was executed by the federal government on an unencumbered schedule. Once the government had committed to the project, it went from an idea to an executed project in under a decade – a true marvel in urban planning time. (p. 25)

Today, Granville Island is one of Vancouver's top tourist destinations and is a source of local and national pride.

#### **4.1.3 Comparison to the Development of Harbourfront**

Vancouver, Toronto, and Winnipeg all experienced booming economies during the post-WWII period and all suffered from the deindustrialization that happened in later decades. Each city had an area that became blighted due to decreased industrial activity. These areas were all centrally located and underused, and thus they were prime locations for redevelopment. But although the areas in all three cities shared similar problems and the development corporations were created at around the same time, the federal government created three very different urban development corporations.

The Winnipeg CAI was designed as a tri-level initiative, with the three levels of government having an equal share in development matters as well as an equal share of the cost. Components of the agreement were in place to ensure accountability in the planning process, and although the levels of government did not always agree on everything, they made a concerted effort to work together. The federal government did have a political motivation for creating the CAI; it was attempting to patch up some of the damage done by its National Energy Program. But there seemed to have been some genuine thought put into the corporation's structure. Unlike with the Harbourfront project, the federal government wasn't in a rush to announce the project before any plans for implementation were in place.

Vancouver's Granville Island did not feature a particularly strong tri-level component, but was successful nonetheless. It benefitted from the expertise of local consultants as well as the commitment and advocacy of Ron Basford, who was at once a federal minister and a local Vancouver politician. With the Harbourfront Corporation, the federal government callously overlooked the expertise of local Torontonians, and the project lacked an advocate from government. Like the Harbourfront project, Vancouver did feature a strong cultural component, but the Granville Island Trust wasn't required to pay for the cultural component with development revenue. In fact, neither the CAI nor the Granville Island Trust was beholden to the same financial objectives as the Harbourfront Corporation was; rather, they were free to focus all of their efforts on planning and development.

#### **4.2 Political Posturing and Urban Development Corporations**

The federal government had no constitutional obligation to intervene in the development of Toronto's waterfront. The government's stated motivation for the intervention, the desire to save the waterfront from the irresponsible hands of the private sector, is highly suspect given former Prime Minister Trudeau's own admission that it was an attempt to garner votes. Governments often have selfish motivations for creating Crown Corporations like Harbourfront.

The Harbourfront Corporation was an example of an urban development corporation, which is a self-governing body appointed by government to plan and implement major development projects (Leo & Fenton, 1990). A version of the semi-independent agency mentioned before, urban development corporations are thought to be more effective than government departments in dealing with private-sector organizations. They allow governments to hire the best people for the job, without having to go through the rigorous hiring process the public sector is famous for.

Urban development corporations also do wonders for a government's image. Since the federal government is relegated to play an indirect role in cities, the results of its efforts often go unseen by most people. Urban development corporations allow the federal government to attach its name to highly visible projects that are easy for federal representatives to point out at election time and in which "it is easy to trace the federal contribution to the satisfaction of even the most unsophisticated voter" (Leo & Fenton, 1990).

Governments get to take all the credit for successes and none of the blame for failures. Leo & Fenton (1990) note:

When money is 'donated' to start a corporation and the first beautiful 'concept plan' is presented for public inspection, it is the government which is seen in a high profile as the benefactor. But it is the corporation that appears before the public as the implementing agency, and that is likely to bear the brunt of any dissatisfaction. (p. 194)

This was certainly the case with the Harbourfront Corporation. The Development Framework, or "first beautiful concept plan," was held in good esteem by the public. But, as Leo & Pyl (1990) note,

As it developed... Harbourfront became more and more commercial, to the distaste of many who had grown fond of it in its more innocent period, and controversy developed. In the controversy, however, it was Harbourfront Corporation and not the federal government who appeared as the villain. (p. 194)

The structure of urban development corporations allows federal governments to share blame if any other level of government is involved. This structure allows each government to be 'visible during the applause, and invisible when and if the over-ripe tomatoes start flying' (Leo & Pyl, 1990, p. 195). And because urban development corporations are targeted at a specific area in a specific city, the federal government isn't obligated to set up a similar agency elsewhere.

Since urban development corporations are held at an arm's length from the federal government, they are not exactly accountable to the people. In essence, development is only somewhat under the control of the federal government and is hardly at all under control by the people. Urban development corporations are created specifically because they can more effectively deal with the private sector, and any focus on public interest is easily lost. This is evident in the change in vision between the initial stated vision for Harbourfront (the 1978 Development Framework) and the development that took place during the 1980s and afterwards. Leo & Pyl (1990) observe:

... a stroll across Harbourfront in Toronto reveals a striking contrast between the earlier, community-oriented part of the development – with its mixture of cultural facilities and commerce, and its attractiveness to large numbers of people – and the later, corporate part, where expensive buildings face toward beautifully designed waterfront walkways that are empty of strollers and lingerers. (p. 204)

The loss of government control over urban development corporations might be somewhat inevitable. Leo & Pyl (1990) argue that the Canadian federal government is being pulled in several directions:

One is the growing power of an electorate that demands ever more of government... a second is the growing power of capital which... is ever more able to command the term it seeks. The third is the government's own financial limitations... In order to deal with these pressures, the governments seeks, on the one hand, to have a more palpable and visible impact upon events and on the landscape, and, on the other, to ensure that its own commitments to capital and the voters remain as limited as possible. (p. 205)

This certainly rings true for the Harbourfront project. It was initiated in order for the federal government to improve its public image, thus showing it to have a “more palpable and visible impact” upon the city.

## 5.0 Conclusions

The development of Toronto's Central Waterfront has been influenced substantially by the federal government. Long before the Harbourfront Corporation existed, the area was shaped by the Harbour Trust and the Toronto Harbour Commissioners, both federally-created agencies. Many of these agencies' actions were intended to improve Toronto's economic situation and were arguably well-intentioned. But the federal government used Toronto's waterfront to improve its public image and then proceeded to mismanage its development through the creation and management of the Harbourfront Corporation.

The Harbourfront Corporation was doomed from the beginning due to the intention behind its creation. The reason given for the federal government's intervention was that the waterfront area needed to be protected from unbridled private investment, but in reality this was just a convenient and ancillary reason used to mask other motivations. The creation and announcement of the Harbourfront project was at once an arrogant and desperate move for Pierre Trudeau, and he admitted as much himself. In an interview, he noted:

It was, in hindsight, almost pitiful the way we had sort of husbanded these dollars together and we'd gotten some real estate people to put the package together, and how we managed to scrape a few millions here and a few millions there, and managed to put the whole thing together, and it was going to be a great big blockbuster. You know, it was something that needed to be done, so in that sense it wasn't just buying Frigidaires for individuals to catch their votes. (Radwanski, 1980, p. 263)

Trudeau's "blockbuster" announcement paid off with respect to his own agenda; he was re-elected and the announcement of the Harbourfront project probably did have something to do with his increased popularity. It was something that "needed to be done," but the redevelopment of the waterfront should undoubtedly have received more consideration than just a few weeks worth of time. A more effective way to go about starting a redevelopment process would have been to involve the provincial, federal, and municipal governments from the get-go, as the federal government did with the Winnipeg CAI. As David Crombie, the person behind the dismantlement

of the Harbourfront Corporation, said, “No one level of government alone can solve all the issues related to the development of the waterfront in the public interest” (1989, p. 175).

The redevelopment of any urban waterfront is a long and involved process, and any agency charged with implementing such a redevelopment must be structured in a suitable way. Firstly, urban waterfront redevelopment projects require significant environmental consideration and the physical cleanup and development of sites can take decades. As for the more indoors activity of planning the site, that can also take years due to the large number of agencies, boards, and commissions that typically have some jurisdiction over waterfront development. The amount of time that a waterfront redevelopment project takes means that the project will likely span several electoral cycles at the federal, provincial, and municipal level. This makes the implementation agency’s relationship with other levels of government crucial to its success, as the agency needs to have staying power when elected officials do not.

Overall, the Harbourfront Corporation’s relations with other levels of government were poor. As Gordon (1997b) argues, the Harbourfront project was botched from the beginning. The federal government saw it appropriate to hire consultants from other cities to manage the project, even though Toronto had considerable local talent available to draw from. One of the government’s most curious moves was the hiring of a Quaker Oats executive from Peterborough (who had absolutely no planning or development experience) to serve as the President of the Harbourfront Corporation. Of this, Gordon (1997b) notes, “In hindsight, it’s not surprising that [the Harbourfront Corporation’s] plans were summarily rejected by the City of Toronto for years” (p. 76). Such unsavvy political moves were met with contempt from the City of Toronto, and deservedly so.

Although Trudeau’s Liberal government started the trend of government blunders with the Harbourfront project, Mulroney’s Conservative government and the Province of Ontario cannot escape blame. Ironically, just prior to the first development freeze, the Harbourfront Corporation

was generating enough revenue to finally become financially self-sufficient. Although the Province's development freeze was perhaps initiated with good intentions (to ensure that the planned development was in the public interest), the timing of it was very unfortunate.

Development was first frozen in 1987 by the City at the height of a boom and then by the Province a year later. The Harbourfront Corporation was unable to capitalize on the hot real estate market while it lasted. Mulroney's government then dismantled the Corporation during a bust. Spafford (n.d.) argues,

The federal government attempted a fire-sale of the remaining property during the worst part of the recession to establish a trust fund for public programming. In a classic example of "buying high and selling low," they found no takers for land which had previously been considered among the most valuable in the country. (p. 5)

This was indeed a colossal mistake, and not the only one of the Mulroney government. The Harbourfront Corporation's Board of Directors (prior to the changes to it made by the Mulroney government) was arguably well-formed. It was stocked with non-partisan and well-connected people, and this made relations with other levels of government fairly smooth. But when Mulroney came into power in 1984, he insisted upon placing partisan supporters on the Board and this strained its relations with the City and the Province. This was another decision made by the federal government that was based more on short-term political gain than on the long-term wellbeing of the waterfront.

Gordon (1997a) argues that the financial structure of the Harbourfront Corporation was fundamentally flawed. The organization was tasked with becoming financially self-sufficient, and yet it was not allowed to borrow against its assets. It was forced to reconcile short-term revenues with long-term obligations, a mismatched combination. This weakness was exploited by the City of Toronto and the Province of Ontario when both took turns freezing development along the waterfront, and the Corporation was stuck paying for public programming without any development revenue. The federal government did spend six years developing the mandate and mechanisms of

the Harbourfront Corporation, but the damage with other levels of government had already been done. Perhaps if the federal government had worked in earnest with the City, Metropolitan government, and the Province to devise an ideal implementation agency structure before the project was announced (and thus already tarred), a better implementation structure could have been put into place.

The public programming activities that resulted from the Harbourfront project are the only standout success of the Harbourfront schema. The federal government's funding both during the time of the Harbourfront Corporation and after have allowed for the continued high-quality public programming the waterfront is famous for. Perhaps in the case of Toronto, it may have been more appropriate for the federal government to have focused its efforts solely on public programming and left development matters up to the City or the Province. Urban development corporations, such as the Harbourfront Corporation, are capable of producing innovative results but such results sometimes come at a high cost. As mentioned earlier, a primary reason governments create urban development corporations is to further their public image; this was certainly the case with the Harbourfront project.

When one compares the story of the Harbourfront project with other contemporary government initiatives, such as Winnipeg's Core Area Initiative and Vancouver's Granville Island redevelopment, several conclusions emerge. All three areas suffered as a result of deindustrialization and shared similar problems. Yet, the initial planning of the Harbourfront project (by the federal government prior to the announcement of the project) did not get the attention and careful consideration that the other developments enjoyed. The creation and announcement of the Harbourfront project was hardly more than an election grab and wasn't originally intended to have any long-term value. Winnipeg's CAI was the child of Lloyd Axworthy, who was committed to seeing the project go through. Ron Basford was dedicated to the transformation of Granville Island, and he had a personal stake in its success, considering that he was responsible for the area at the

federal level. And who did the Harbourfront project have on its side? It had more people working against it than for it.

The three levels of government were able to work together towards a common goal in Winnipeg and in Vancouver. The Winnipeg project was conceived of as a tri-level project from the beginning, with each level of government entitled to an equal say. Vancouver's project, although it wasn't specifically a tri-level project, had the cooperation of the federal, provincial, and local government. The land was gifted to the City of Vancouver by the Province of British Columbia without any obvious strings attached. And although there were undoubtedly scuffles in both projects, neither endured anything like the drama of development freezes and Royal Commissions and task forces the way that Harbourfront did.

Toronto's central waterfront has suffered and persevered through many difficult times. The federal government treated it as if it were less important than Montreal's waterfront from the beginning, and it was hit hard by deindustrialization and a modernizing economy. Considering the initial motivation behind its redevelopment and the subsequent events, it is a wonder that the waterfront is as pleasant a place as it is today. Toronto's waterfront deserved better than the treatment it received by the federal government.

## **6.0 Lessons Learned**

Much can be learned from this analysis about the process of waterfront redevelopment and the roles of different levels of government. This paper has shown that urban waterfronts sit at a crossroads of intergovernmental relations and jurisdictional responsibilities. For successful development to take place, it is crucial that consensus is sought and found by all responsible parties. The Harbourfront project demonstrates that clear communication is necessary between all levels of government. Many of the problems with respect to the start-up of the Harbourfront project could likely have been avoided if the federal government had just communicated its intentions to the provincial and local governments before announcing the project to the public.

Although Toronto's central waterfront was virtually unpopulated prior to the creation of the Harbourfront Corporation, it is clear that Torontonians cared about the future of their waterfront and had the power to affect its development. This was demonstrated by the public outcry over high-rise development and the subsequent development freezes that took place. Good relations between levels of government are important, but the opinion of the public cannot be forgotten.

Waterfront redevelopment projects are complex and can span decades. The life of a waterfront redevelopment project is considerably longer than a politician's career. Thus, care must be taken when creating urban waterfront redevelopment corporations to ensure that their structure (both in terms of people and finance) can stand the test of time. The Harbourfront Corporation suffered when federal leadership changed because it wasn't structured in such a way that it could stay permanent in changing political times.

As Gordon (1997a; 1997b) has argued, the financial abilities afforded to a waterfront redevelopment corporation are crucial to its success. The Harbourfront Corporation was faced with the goal of becoming financially self-sufficient without having the ability to acquire the funds it needed to be successful. It is likely that the federal government, in its haste to announce the

Harbourfront project and assemble the Harbourfront Corporation, did not take the time to devise an optimal mandate and structure for the Corporation.

The most important results of waterfront redevelopment projects are not financial or political, they are social. The federal government did have the foresight to ensure that a strong cultural component was included in the Harbourfront project, but the initial motivation behind the project was political. Waterfront redevelopment projects are such large commitments that it only makes sense to undertake them when there is a solid reason to do so that is based on the public, not political, good.

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