

# Chapter 1

## SETTING THE STAGE

Historically, Calgary's economic growth has been closely tied to the beef cattle and fossil fuel industries. However, it was real estate that best chronicled the City's boom-bust cycles. Competition for land produced the fledgling settlement's first controversy in 1883–1884 as speculators squabbled over the site of the new town. Falling land prices in the early 1890s brought the first doubters but encouraged optimists who poured money into sandstone buildings and redefined the downtown district west along Atlantic and Stephen Avenues. Speculators made fortunes in the boom years before 1914 selling land and promises to eager buyers. A slack real estate market after 1915 reflected the city's slow growth, and it took a war and rising disposable income to stir interest in buying and selling city land. The aftermath of the Leduc oil discovery of 1947 brought money and people to Calgary, and a new type of entrepreneur ready to capitalize on rising land prices and demand for housing. Part real estate entrepreneur, part speculator, and part builder, the land developer moved the concept of real estate from the sale of property to a process necessitating large-scale land assembly tailored to consumer wants and involving several stakeholders.<sup>1</sup> With their full acceptance of the goodness of the garden city, and a firm belief in the efficient deployment of resources to achieve it, the land developers and municipal authorities combined to create the template for residential urban sprawl.

**TABLE 1****Calgary Population 1944–1980**

1944	97,241	1960	235,428	1967	335,806	1974	433,389
1948	104,718	1961	241,675	1968	354,856	1975	453,812
1950	114,000	1962	269,068	1969	369,025	1976	470,043
1951	129,060	1963	276,975	1970	385,436	1977	487,569
1954	156,745	1964	294,924	1971	398,034	1978	505,637
1956	179,711	1965	311,116	1972	412,777	1979	530,816
1958	206,831	1966	323,289	1973	424,787	1980	560,618
1959	218,418						

Source: The City of Calgary Municipal Handbook and Census of Canada



The phenomenon of urban sprawl in Canada and the United States has elicited considerable academic attention and discourse. Most studies are generally condemnatory, and focus on housing, transportation, and land-use issues, and on their negative economic, social, and environmental implications. In the United States, urban sprawl has been defined as the dominant issue in planning.<sup>2</sup> Alain Bertaud and Harry Richardson argue that it would cost hundreds of billions of dollars and a 3,400 mile rail system to bring Atlanta's share of public transit to the level of that of Barcelona.<sup>3</sup> European cities, however, are not immune. According to a report from the European Environment Agency, urban sprawl is now a serious problem threatening natural and rural environments.<sup>4</sup> However, not all see urban sprawl as a major problem. To Michael Bruegmann, the term is not an objective reality legitimized by "an entire body of ideas and assumptions," but rather a cultural concept whose essence defies definition and whose study is distorted by outmoded evidence.<sup>5</sup> In describing urban sprawl as "the latest chapter in a story as old as cities themselves," Bruegmann argues that cities are a series of diverse landscapes, ever changing and reformulating themselves. Regardless of Bruegmann's optimism, most observers, and this study, agree with the bleak definition offered by the Sierra Club in 2000 when it referred to urban sprawl as "scattered development that increases traffic, saps local resources and destroys open space."<sup>6</sup>

This case study focuses on Calgary, and in particular the two main architects whose shared beliefs, differences, and pragmatic interactions shaped the city's residential growth patterns. Though there were other

**TABLE 2**  
**Area of Calgary 1925–1978**

1925	39.6 square miles
1945	39.6
1954	40.1
1956	49.6
1957	74.4
1962	151.5
1964	155.8
1974	157.0
1976	162.0
1978	189.0

Source: City of Calgary Municipal Handbook

participants, the suburbanization process was directed, monitored, and executed through the interplay between Calgary's municipal authorities and the land developers. The period covered by the study begins in 1945 and extends to 1978, by which time strong housing demand and rising profits in the industry represented solid vindications of a well-established *modus operandi*.

In 1950, when Calgary's 114,000 residents inhabited an area of 40 square miles, thousands of empty acres were available for settlement. Yet the pattern of indiscriminate land use did not change after 1950. By 1978 the city's population had reached over 505,000, with the urban boundaries encompassing 189 square miles. It takes no arithmetical wizardry to conclude that the gross densities were virtually unchanged.<sup>7</sup> But at least in 1950, one could point to a reason for a gross density of less than three persons per square mile. The speculative frenzy between 1911 and 1914 had led to large-scale purchases of raw land on the city's fringes. For example, in 1912, a lot on a windswept field in north Calgary was eagerly snapped up for \$500. For four subsequent decades, the owner paid taxes on the undisturbed property. In 1955, when the subdivision of Cambrian Heights was developed, the lot sold for \$400.<sup>8</sup> Most landowners, however, either sold at basement prices or, more often than not, defaulted. When the real estate bubble burst in 1914, significant tracts of empty land accrued to the city's tax rolls as a bitter legacy of misplaced optimism.

Given the difference between the laissez-faire frenzy of the early 1900s and the more controlled civic and business environments of the

post–World War II era, it seems valid to ask what explained the continuing expansive spatial growth patterns in Calgary, particularly given the already low densities. Is it enough to attribute rampant suburbanization to simple consumer demand? Or did the profit-driven developers have their way with City Hall? Did civic policy making mirror developer demands or was it based on different priorities? How were decisions reached? Was the debate simply between the City and the developers or were there other inputs, and if so, from whom and how? In short, who were the agents who influenced outward residential growth, and how did they interact to produce a consistent pattern of profligate land use? The following study of Calgary attempts to deal with these issues, with an emphasis on the pragmatic dimension that often guides institutional and individual behaviour.



Given the accepted role of the land developers in influencing the suburbanization process in North America, it is surprising that little has been written about the specific relationships with their respective city governments. Ann Durkin Keating, in *Building Chicago: Suburban Developers and the Creation of a Divided Metropolis* (1987), does trace the interaction between local governments and real estate developers in creating suburban Chicago early in the twentieth century.<sup>9</sup> William Fulton, in *The Reluctant Metropolis: The Politics of Urban Growth in Los Angeles* (2001), discusses the development industry as being one of the prime movers behind the growth machine that dominated the politics of Los Angeles after World War II.<sup>10</sup> Similarly, Owen D. Gutfreund, in *Twentieth Century Sprawl: Highways and the Reshaping of the American Landscape* (2004), dwells on the role of developers in creating metropolitan districts around Denver.<sup>11</sup> In *Mega Lands: Western Cityscapes and American Culture After 1940* (1992), John M. Findley discusses housing proliferation, and assumes a lack of civic direction in cities that were out of control. Shoukry T. Roweis and Allen J. Scott argue that governments have been largely ineffective in regulating land developers.<sup>12</sup> None of the above, however, deals with specific relations between the land developer and city governments. Other works, such as Thomas M. Stambach Jr.'s *The New Suburbanization: The Challenge to the Central City* (1991), Daniel J. Alazar's *Building Cities in America* (1987), and Nicholas Dagen Bloom's *Suburban Alchemy: 1960 New Towns and the Suburbanization of the American Dream* (2001), make little or no reference to the development industry, let alone its relationship with city governments.<sup>13</sup>

In Canada, the situation is similar. While Lawrence Solomon deals with the issue of urban sprawl in Toronto in his recent publication, *Toronto Sprawls: A History* (2007), his brief and sweeping study does not place developers in any meaningful context with respect to City Hall.<sup>14</sup> He does, however, associate Toronto's rampant growth with long-standing civic and other government decisions. Developers receive specific mention in Gerald Hodge's *Planning Canadian Communities: An Introduction to the Principles, Practice and Participants* (1986), especially with reference to their role in the subdivision process,<sup>15</sup> but Hodge is mainly concerned with explaining the complexities inherent in the planning process and not the actual dialogue between the developers and municipal authorities. He does, however, credit the developers with being "the central actor in the process by which a piece of land is turned into ... usable spaces."<sup>16</sup> In discussing the significance of Canada's first corporate suburb of Don Mills in Toronto, Richard Harris, in his recent publication *Creeping Conformity: How Canada Became Suburban 1900–1960* (2004), acknowledges the place of the land developers in influencing the rise of post-war suburban Canada.<sup>17</sup> However, he does not try to integrate their activities with those of local governments. Some of the articles in John Miron et al., eds., *House Home and Community in Housing Canadians, 1945–1986* (1993), and particularly that by John Bossons, "Regulation and the Cost of Housing," attempt to locate developers in the overall housing market.<sup>18</sup> In an important study in the early 1980s, Andrew Sanction and Warren Magnusson, in *City Politics in Canada* (1983), rightly argue in their Introduction that civic officials believed they could regulate the development process through creating appropriate conditions.<sup>19</sup> They further acknowledge the reliance by municipal bodies on the initiative of developers, and generally seem to support the argument that city governments drew close liaisons with business interests.<sup>20</sup> However, none of their chapters on several Canadian cities showed how the developers were specifically involved with these "supportive" governments. Barbara Wake Carroll shows how, by the 1960s, big real estate developers building by subdivisions in multiple markets transformed the housing industry.<sup>21</sup> John Meligrana has documented the role of developers in initiating City land annexations, while Jack Masson, in *Alberta's Local Governments and Their Politics* (1985), touches on developer influence at City Hall.<sup>22</sup> Freelance writer Gabrielle Goliger refers to high land prices in the 1970s as being linked to land speculation by big development companies.<sup>23</sup> John Wolforth and Roger Leigh, in *Urban Prospects* (1971), offer a similar

argument that developers bought raw land and waited for the price to rise before capitalizing.<sup>24</sup> James and Robert Simmons give a more accurate opinion in *Urban Canada* (1969) when they infer that speculators should not be confused with developers.<sup>25</sup>

Probably the best treatment of the land development industry in Canada is by Peter Spurr in *Land and Urban Development: A Preliminary Study* (1976).<sup>26</sup> Using a wealth of tabular statistics and facts, Spurr discusses the emerging concept of land as a commodity, and demonstrates that monopolies by major land development companies were endemic in Canadian cities by the mid-1970s. With respect to local governments, however, Spurr is more interested in public land assembly programs than he is in their relationship with developers. Another good insight into developer operations in Canada is given by Susan Goldenburg in *Men of Property: The Canadian Developers Who Are Buying America* (1981).<sup>27</sup> Unfortunately, although Goldenburg focuses on the growing international influence of large Canadian land development companies by the late 1970s, she offers nothing for the reader on relations with local governments. The only real attempts to discuss the two in any detail are by James Lorimer and other like-minded writers from the publication *City Magazine*. Three books comprise the corpus of what amounted to a scathing critique of developer dominance in the land assembly business and housing industry, a process enabled by collusive or hapless local governments. In *The Developers* by James Lorimer (1978) and the two city books both edited by James Lorimer and Evelyn Ross, *The City Book* (1976), and *The Second City Book: Studies of Urban and Suburban Canada* (1977), the arguments are the same.<sup>28</sup> Undeniably, the sweeping generalities about developer land monopoly, though overstated and biased, do present a generally accurate picture of trends clearly observable in the industry by the mid-1970s. On the other hand, the arguments that denigrate local governments are far too sketchy. Comments that associate sympathetic municipal policies with the emergence of the corporate suburb<sup>29</sup> require far more analysis than is supplied by Lorimer. Three treatments of isolated land scandals involving City Hall are scarcely indicative of general practice.<sup>30</sup> It is doubtful whether any Canadian city has escaped similar individual taint. One has only to note the Calgary scandal in 1959, and the subsequent judicial inquiry which implicated a few City officials and developers in underhand practices.<sup>31</sup> In an insightful critique of *The Developers*, John E. Engeland criticized Lorimer's use of hindsight to explain an end result. He further noted that while it may be

argued that selected government policies did affect development industry concentration, “no motive or level of consciousness on the part of government at the time of policy selection can be inferred.”<sup>32</sup>

With respect to Calgary, one finds virtually no serious discussion on the land developers and the City. This is somewhat surprising given the fact that of all cities, Calgary was reserved for the most scathing criticism in Lorimer’s *The Developers*. Donald Wetherell and Irene Kmet, in their excellent study of housing in Alberta, deal with several issues relative to land development as discussed in this narrative. Included are affordable housing, the lack of provincial interest in developing a coherent housing policy, and the importance of the Central (later Canada) Mortgage and Housing Corporation. However, they do not deal with land developers specifically, nor with their dialogue with city governments.<sup>33</sup> Geographer Peter Smith has written extensively on planning in Alberta cities but has not integrated City-developer dialogue into his arguments.<sup>34</sup> Nor is it an issue with Robert M. Stamp in his recent book, *Suburban Modern: Post War Dreams in Calgary* (2004).<sup>35</sup> Perhaps the closest to an assessment of this relationship came from D.G. Harasym in his solid 1975 Master’s thesis, “Planning of New Residential Areas of Calgary, 1944–73.”<sup>36</sup> Harasym documented Calgary’s post-war planning strategies and argued that developers were able to use them to advantage. Neither Beverly Sandalack, Brenton Barr, Richard Baine, Harry Sanders, Jack Peach, nor this author for that matter, all of whom have explored related topics, has dealt with this singularly important relationship.<sup>37</sup>

To summarize, the role of the developer in city politics and development is widely recognized, but little understood and certainly not documented. In popular parlance at least, Lorimer et al. notwithstanding, the developer has emerged as a shadowy, often dominant force ready to exert persuasion, charm, will, and pressure as needed on city governments. In this dialogue, the latter is embodied primarily by City Council, a body viewed as largely unable and more importantly, unwilling to resist.<sup>38</sup> In the context of this discussion, the process is not so one-dimensional.



Essentially there were five influencing factors in the suburbanization process. The main players, of course, were the City of Calgary and the land development companies. However, three other participants played important roles, and their presence introduced other complexities and variants to the two-way dialogue that underpins this discussion. Policies

pursued by the provincial government and the Central (later Canada) Mortgage and Housing Corporation (C.M.H.C.) helped shape the way the City approached urban land issues. And seemingly hidden in the whole debate about who was responsible for what in the suburbanization process was the home buyer with his or her hopes and ambitions, and most significant, his or her mortgage money.

### **THE HOME BUYER**

The capacity of individuals to purchase homes brought the land developer, the Central Mortgage and Housing Corporation, and the City together. Before the 1950s, most people saw housing in terms of need or want. In the post-war period, available mortgage money, rising disposable incomes, high-profile marketing, and amenable policies created the concept of housing as a right. Equally significant was the association of housing with property ownership. This was best demonstrated in the single family residence, or as a City Planner observed in 1974: “Two facts of life that neither the planner nor the public likes to recognize are population growth and the preference for a single family home.”<sup>39</sup> The policies followed during this period by endorsing, fostering, and protecting this preference made residential urban sprawl inevitable.

The developers equated the market with the high demand for single family residences. Given the fact that the home buyer paid taxes and voted, the City had no wish to tinker with the demands of this market. Thus, decisions affecting urban growth, whether they were made by the developers or the City, defaulted to buyer preference. Alternative forms of housing were viewed with suspicion by both participants, being tainted on the one hand by prospects of reduced profits and sales, and on the other by potential backlash from angry voters. From the late 1960s, homeowners collectively exerted significant pressure on city governments, particularly with respect to zoning and park areas, resulting in restrictive civic decisions that in turn encouraged expensive and inefficient expansion in all four quadrants.<sup>40</sup> A further assumption linked undeveloped land inventories to the cost of housing. Annexations became necessary, since an ample land supply induced competition and led to lower house prices. This flawed scenario, accepted unequivocally by the developers, the City, and the public, became an article of faith and a persuasive rationale for ever-expanding growth.<sup>41</sup>

## THE PROVINCIAL GOVERNMENT

The power of the provincial government over cities is total and final. With no constitutional protection at all, Canadian cities are virtually creatures of their respective provincial governments. With respect to land policies this control was wielded on several levels.

The first level of dependency was financial. Heavily reliant on the property tax for about 80 percent of their revenues in the mid-1950s, Calgary and local governments generally in Canada were falling behind their provincial and federal counterparts. In 1939, the municipal share of all government revenues was 30 percent. By 1951 the figure had shrunk to 12 percent.<sup>42</sup> As with other Alberta cities, Calgary's borrowing powers were limited under the City Act, as was access to alternative revenue sources.<sup>43</sup> A further source of concern was the \$31 million dollars of assessable property and buildings that were exempt from taxation.<sup>44</sup> According to the City in its presentation to the McNally Commission on Metropolitan Growth in 1954, it had suffered financially in the tax transfer agreements negotiated with the Province. The City's brief argued that the provincial replacement grant did not compensate adequately for the loss of the service tax, the power to tax corporations, and the power to levy automobile and licence taxes.<sup>45</sup> In addition to health, education, and public welfare, which took up most of the 40 percent of City revenues supplied by the Province, the City received a Municipal Assistance Grant for general purposes. In 1953 this amounted to \$7.546 per capita and translated into a total of \$940,724.<sup>46</sup> This amount was clearly inadequate. In January 1955 it was predicted that the City faced a deficit of \$6.5 million if provincial grants remained static.<sup>47</sup> To the Province these grants were non-negotiable. An excellent case in point concerned financing for a proposed public land assembly program in late 1952. In declining to assist, the Province advised the City to simply take the money from its Municipal Assistance Grant.

The City was constrained by stipulations in the *Planning Act* which established guidelines and provision for regulations respecting subdivision requirements, zoning, appeals, and the preparation of general plans. The Provincial Planning Board, and later the Local Authorities Board, could override local decisions on appeal. Later still, the Cabinet had the final say. Annexations to the city had to be approved by the Board of Public Utilities and later the Local Authorities Board. Although not a forceful organization, the Regional Planning Commission was a vehicle for orchestrating planning on a regional basis and had to be consulted on matters

affecting expansion. Here, annexations and transportation corridors stand as two excellent cases in point. The fact that the provincial government also contributed towards the construction of bridges and main roads affected the City's ability to plan expansion, a situation exacerbated when final decisions were slow in forthcoming. Further holdups were due to procedures necessary for waivers or special circumstances. For example, provincial approval was necessary for every relaxation of lot frontage requirements in 1969–70 to facilitate special housing projects.

The above notwithstanding, it could be argued that up to the 1970s the Province interfered very little in local affairs. However, while it was not particularly interested in the City's relations with the land developers, the Province did view suburban sprawl with misgivings, and in the early 1970s was particularly concerned with population concentrations in the two major cities. As such it viewed annexations with some suspicion, especially if they were comprehensive. Nevertheless it could be argued that any direct intervention to circumvent sprawl was tantamount to a holding pattern only. Direct intervention by the Province in City affairs, though an annoyance, was not a major factor in advancing or restricting urban sprawl.

### **THE CENTRAL MORTGAGE AND HOUSING CORPORATION**

The role of the Central Mortgage and Housing Corporation (C.M.H.C.) in creating the Canadian post-war suburb cannot be understated, and went far beyond its lending policies, its "watchdog" role, or in its advisory capacity. Its influence was manifest on a variety of levels. Operating well out of the public eye, the C.M.H.C. exercised its considerable powers with a forcefulness that broached no redress. Thus while Calgary's growth patterns bore the stamp of developer and civic negotiations, it must be remembered that they had already been sanctioned and sometimes moulded by the C.M.H.C. That the overall agendas of all three were similar provides more food for thought to those who would lay the blame for urban sprawl solely on developer greed and civic incompetence or collusion.

First, and most significant, were the C.M.H.C.'s lending policies. The fact that they became increasingly generous with respect to amortization periods, down payments, and insurance disguises the inescapable fact that they were geared towards higher income brackets. Two results were immediately observable. The lack of affordable housing was an issue by the late 1950s, a situation compounded by a civic unwillingness to vary established zoning policies, or to respond to developer pleas for concessions

to allow lower incomes to qualify for a mortgage.<sup>48</sup> Second, these policies fuelled an insatiable appetite for single family dwellings, or to quote one C.M.H.C. official in 1952, “a cottage with a picket fence.”<sup>49</sup> One has only to note the C.M.H.C. encouragement of Neighbourhood Plans in the 1950s, when it allowed longer amortization periods for the single family homes demanded by the concept.<sup>50</sup> The success of the single family subdivision of Thorncliffe, developed in 1954 under the City’s first private contract, was due to revised C.M.H.C. lending policies. Also, by denying mortgage money on houses without utility extensions, the C.M.H.C. influenced civic decisions to forestall potential fringe communities by expanding the city’s boundaries.

The C.M.H.C. also insinuated itself into the development process. By arbitrating lending values, the Corporation established precedents that heavily influenced permanent residential socio-economic differentiation patterns throughout the city. Developers had to approach the C.M.H.C. with respect to the availability of lending money. Approval was not always forthcoming. For example, the subdivision of Lynwood was held up in 1957 because the C.M.H.C. refused to lend money on any residential property that was within three-quarters of a mile of the Imperial Oil refinery.<sup>51</sup> Developers in Collingwood were similarly affected in 1958 when the C.M.H.C. would not release lending money due to dissatisfaction with the construction of eleven intersections.<sup>52</sup> Kelwood could not get the go-ahead for the Southwood extension in 1959 until details were rectified according to C.M.H.C. standards.<sup>53</sup> Since lending value was associated with the cost of services, developers needed to be careful in adjusting their lot prices, and had to consult with the C.M.H.C. respecting any variations. A case in point was the City itself, which prevaricated over selling its own lots on a prepaid basis because of C.M.H.C. lending limits.

The C.M.H.C. monitored the City by keeping a close eye on building dimensions, set backs, side yards, buffer strips, etc. By providing low-interest loans to the City for utilities construction, the C.M.H.C. was able to monitor standards and quality. With respect to zoning the C.M.H.C. was particularly watchful. For example, approval of the subdivision of Wildwood was delayed until zoning adjustments met C.M.H.C. requirements.<sup>54</sup>

The C.M.H.C. was part of the subdivision approval process. It received copies of all outline plans and its input was included in any resubmission process. In fact, in 1968 Carma Developers complained that delays were due to the C.M.H.C.’s refusal to review subdivision plans until approved by the Planning Advisory Commission.<sup>55</sup> In 1967 the Calgary Planning Commission had to table an application from Carma to develop Huntington

Hills Phase 2 because the C.M.H.C. was not prepared to accept the road alignment patterns or the dedication of land to schools.<sup>56</sup>

While it is true that the C.M.H.C. was not directly involved in every home mortgage, the fact remains that it was the dominant force in influencing housing development generally. Its ubiquitous presence at the planning stages meant that negotiations affecting housing were not exclusive to the City and the developers. Though the C.M.H.C. was interested in alternative housing, there can be no doubt that its lending policies provided the foundation upon which urban sprawl took shape not only in Calgary but throughout the country. Its role cannot be separated from that of the developers and indeed the City itself. In that sense, the C.M.H.C. has largely “flown under the public radar” when perpetrators of urban sprawl are singled out for censure.

### **THE CITY OF CALGARY**

Though the focus of the ensuing discussion is on explaining the City of Calgary’s actions in influencing suburban residential growth, it is useful to touch on four points, all of which are crucial to a better understanding of how, and possibly why, the City dealt with the developers as it did.

First and foremost the City and the developers were on the same philosophical page when it came to land development for suburban housing. They believed not only that the private sector was best suited to meet consumer demand for housing but that the demands of the market should decide on both type and location. The role of the public sector was to provide an amenable climate for development, and to guard the general interest through close monitoring and ongoing dialogue. The need to work together to secure these desired ends led to close and intense interactions or to quote one commentator, a “symbiotic interrelationship.”<sup>57</sup>

The second concerns the uni-city idea. Put simply, Calgary did not want to become like Edmonton, where jurisdictional issues dogged the City of Edmonton’s aspirations to grow. It mattered not to Calgary policy makers that surrounding jurisdictions like St. Albert, Strathcona, Fort Saskatchewan, and Leduc had given the northern city a true metropolitan profile. Calgary was to pursue no such route. The solution lay in swallowing up incipient urban nodes, or in short, embracing the uni-city concept. This belief was long-standing and unequivocal in both Council and Administration. Fringe communities were to be discouraged at all costs, since they represented potential blight and a parasitical threat. Moreover, it was also argued that the uni-city was less expensive to operate than a metropolitan structure, a belief endorsed by one researcher as late

as 1998.<sup>58</sup> An example in point was the official horror expressed when speculators wanted to develop a satellite town in the present suburb of Haysboro in 1954.<sup>59</sup> This fixation with the uni-city had tremendous implications for outward growth. It helped explain the City's positive attitude towards large-scale annexations as the best way to avoid fringe communities. A corollary argument suggests that the City's policy of encouraging contiguous outward development was designed to prevent developers from moving just beyond the city boundaries and establishing potential fringe communities.

A third point refers to City decision making as residing solely with Council. Critics like James Lorimer assume that Council's theoretical autonomy is wielded equally at the implementation level. This is a misconception. Jack Masson has suggested in his book on Alberta local governments that city councils routinely endorse 75 percent of the recommendations that come to them. In Calgary's case this figure is probably too low.<sup>60</sup> According to a University of Calgary political scientist in 1974, commissioners in Calgary were allowed to run the city as if it were a closed corporation.<sup>61</sup> In referring to the absence of elected officials "at the Development Agreement stage," Alderman Pat Donnelly noted in 1975 that "by the time Council gets involved we are looking at a *fait accompli*—a quasi agreement as one senior planner was recently quoted as saying."<sup>62</sup> Certainly there were instances when Council rejected advice or when Administration was censured. The controversy over the 1973 secret study on land monopoly stands as a typical case in point.<sup>63</sup> But these were few. In the vast majority of cases, Council "rubber stamped" Administration's recommendations on subdivisions, rezoning or utilities extensions. The notion too that Councils were irresponsibly pro-developer requires qualification. There were enough "reformers" on Council willing to press their views in meetings that were always open to the public and press.

But the main point concerns City Administration, not Council. The former is a multi-layered structure of committees, commissions, and departments, each with its own mandate and "turf," and some with their own budgets. The Chief Engineer was preoccupied with the feasibility and costs of utilities. Planners stressed rational growth. School Board representatives were suspicious of developer motives when it came to school locations. The Technical Planning Board and its successor the Calgary Planning Commission, whose recommendations went straight to Council via the City Commissioners, saw issues in very practical terms. They were not averse to rejecting plans that did not adhere strictly to

technical criteria, and they did so often. At least a dozen individuals perused every application for subdivision. Sometimes the number of required modifications left a bewildered developer wondering what to do next. Then there were the citizen appeal boards. The Development Appeal Board, for example, was definitely not stacked with developer interests, though in all fairness it did not always see issues in the same light as the Technical Planning Board or the Planning Commission. In summary, there were simply too many inputs from different departments, too much reasoned professional advice, too many budgets to guard, and too many separate decision-making bodies for developers to hold consistent, undue sway over the decision-making process.

The fourth consideration was the City's need to guard the interests of property. In practice this meant using zoning provisions to protect land values. Given the immense latitude it had with respect to zoning, especially in new areas, the City was overly cautious. This predisposition towards traditional zoning practices represented a lost opportunity to work with developers in achieving a more innovative subdivision design.

## **THE DEVELOPERS**

As with the City, the developers' role is primary to this narrative. The intention here is to outline a profile that generally fits the collective that operated in Calgary from 1954 to 1978. Three points require elaboration. Who were they? How did they interact with the City to secure their ends, and what were the conditions they required for success?

Developers in Calgary over this entire period fell into two categories, defined chiefly by time, although with some overlapping. Up to the 1970s, Calgary developers were not developers in the later accepted sense of the word. The development companies that formed in the 1950s and continued into the next decade were primarily extensions of the Calgary construction industry. Their limited capital was offset by access to relatively easy money in the form of generous mortgage financing, and by the willingness of banks to lend money against the value of undeveloped land. Only in the 1970s, in response to rising land prices and higher anticipated profits, did the "traditional" developer enter the scene.

Builder-developers thus dominated in Calgary until the 1970s. They were several in number. For example, in 1968, nineteen developers operated under agreements with the City. Of the half-dozen or so major operators, the two largest were Carma and Kelwood. Both were owned and based in Calgary, as opposed to Quality Construction (Qualico) and BACM (Winnipeg), or Melton Real Estate later Melcor (Edmonton). All,

however, were tightly integrated into the Calgary construction industry. Carma was a co-operative that drew its initial energy from the Calgary House Builders Association. Kelwood was a consortium identifiable mainly through Keith Construction but which also counted several major Calgary builders and associated construction enterprises as members. For Carma, Kelwood, and the other larger operators, the land development component was simply a practical necessity to facilitate efficiency in the Calgary construction industry. In the main, they were a very fluid group that drew on temporary alliances and brokered informal deals. They knew each other well and formed social associations that transcended their business alliances. That is not to say, however, that tensions did not exist. They did. The fact that these bigger operators drew on a pool of selected local builders to construct their homes led to the exclusion of others. These small builders felt alienated, and it was they who welcomed the arrival of the true land developer like Daon in the 1970s.

Beginning in the early 1970s the pure developer entered the scene. Unlike the builder-developer, these large corporations were interested in assembling and developing very large tracts of land. They operated in several cities in both Canada and the United States. They were not Calgary-based or Calgary-oriented, and were often horizontally integrated.<sup>64</sup> Who did the actual building was irrelevant. The day of the builder-developer was over in Calgary by the mid-1970s, by which time Kelwood and BACM had been swallowed up by Genstar, and Vancouver-based Daon had assembled large landholdings in the city. This left only Carma. However, one could argue that when Carma went public in 1972, it became more oriented towards gross profits than serving the needs of its builder-members, some of whom had difficulty in securing financing for their allocated lots.

The developers' role was facilitated by another group. While they owned the subdivisions and were ultimately responsible for negotiating agreements with the City, the developers looked to private consulting engineering companies to prepare feasibility studies, to make the various presentations to the appropriate civic authorities, and often to design and supervise the construction of utilities. In this period the two major consulting firms were Haddin, Davis and Brown, and later Strong, Lamb and Nelson. Both were locally based. These two were foremost in preparing the studies that informed their developer clients of the viability of a proposed subdivision in terms of cost of development, primarily with respect to utilities, as well as of the chances of approval by the City. Both were excellent intermediaries in that they had developed close ties

with the City and the developers by contracting with both. Because the engineering consulting companies functioned as an effective buffer between the developer and the City, their role in influencing urban growth is both understated and worthy of more intensive study than is given here.

In the main the developers were very proactive in their dealings with the City. They made their intentions quite clear through consistent and insistent correspondence and representations. Some formed personal relationships with senior City officials. For its part, the City recognized their importance and placed them on ad hoc committees like the one that examined the impact of the innovative housing program in 1976. They gave input into the preparation of general plans, sector plans and design briefs, and were invitees to meetings that foreshadowed policy changes. More significantly, however, the developers had their own institutional voice in the Calgary Chapter of the Urban Development Institute (U.D.I.). A North American body based in Chicago, the U.D.I. was formed as an official voice of the land development industry. It was incorporated in Alberta in December 1958 with a specific mandate calling for the economic development of well-planned communities through ethical and harmonious relationships with other stakeholders. The U.D.I. enjoyed a high profile and was generally chaired by a prominent member of the development industry. It negotiated the various developer agreements that defined the rules, operations, and responsibilities of both the City and the developers on both a general and specific subdivision basis. The protracted and often heated negotiations that preceded these agreements generally resulted in the grudging compromises characteristic of wider labour industry agreements.

The developers desired two things from the City. First, they wanted a speedy subdivision approval process. Their singular and regressive lack of success induced a persistent lament about how bureaucratic inefficiency prejudiced the homeowner more than them. The second need was likely the most significant factor in precipitating expansion. The developers argued that they could not operate efficiently without a minimum ongoing three-cycle land supply. They felt that they needed to have a two year supply of lots approved and being built upon, and an inventory of two more years in the outline or approval stage with a further two year supply in the raw state. The result was a persistent clamour that confronted civic administrations on a daily basis from several voices in all four quadrants of the city, all appealing to economies of scale, all with pressing urgency and all with persuasive reasons in the interests of the

homebuyer. Not surprisingly, City responses were largely exercises in reasoned pragmatics.

In broad terms, housing in this period began with assured financing and ended with a built product. At one end of the construction spectrum was the C.M.H.C with its readily available but income-targeted mortgage money. At the other was a proud couple taking possession of a single family detached residence. In the middle were the provincial government, the City of Calgary, and the land developers. Philosophically, they were on the same page. Housing was a private sector matter governed primarily by demand and personal choice and limited by ability to pay. Government's proper role was to set the rules and then monitor their execution by the developers. The trouble was that the combination of similar philosophies, urgency on the part of the developers, heavy work loads, poorly conceived planning, and fractured decision making at City Hall led to what W. Lucy and D. Phillips in *Confronting Suburban Decline: Strategic Planning for Urban Renewal* (2000) have termed "the tyranny of easy decisions."<sup>65</sup> Urban sprawl was the unhappy but predictable outcome.



Three themes are explored in the following narrative. All flow from a City decision in 1954 to hand over the development and construction of residential subdivisions to private enterprise, a decision predicated on the issue of utilities installation.

The first theme focuses on the relationship between the City and the developers as demonstrated through the various agreements that bound them. These agreements were the result of intensive bargaining and compromise by the City on one hand and the Urban Development Institute on the other. It will be contended that the City sought effective control by increasing its financial demands and by submitting developers' proposals to closer scrutiny and accountability. However, it is also argued that this process essentially meant that the developers more than the City were the primary agents for directing urban growth. Two secondary themes that focus on low cost housing and green space will be explored to highlight deficiencies in the City's understanding and appreciation of this relationship.

The second theme deals with annexations. The overall argument will contend that they were initiated by developers but carried through and supported by the City. The developers promoted annexation because it increased their land banks and enabled lower land acquisition costs. It also allowed greater buyer choice, and could mean cheaper utilities

installations. The City favoured them as a way of ensuring long-range planning, averting the growth of fringe communities, while contributing to lower housing prices. It was also believed, perhaps naively, that developers could be better contained by having them operate within the city rather than just outside the municipal boundaries. In short, urban sprawl was fostered by a process amenable to both the developers and the City. Critical comments that infer collusion between the two over annexation must be measured against the fact that their motivations were very different.

The third theme focuses on the zoning paradox. During this period Calgary operated under either a Development Control Bylaw or a Zoning Bylaw. While Development Control allowed more flexibility in that it involved a virtual but temporary suspension of zoning constraints, both gave the City the power to control and change land use. The following argument will suggest that the City took the path of least resistance by not employing its options under Zoning and especially Development Control more forcibly to secure a greater mix of residential land use in developing subdivisions. Second, for both philosophical and political reasons, City Council and civic administrators were very hesitant about changing the zoning bylaws in the interests of higher density development. When the City failed to capitalize on the flexibility it enjoyed through zoning powers, it allowed a continuation of processes established in the early 1950s.

## **UTILITIES**

On a final note, an overarching theme in this discussion emphasizes the primary role of underground utilities in determining physical growth patterns. It is understandable that most observers would probably relate city growth to transportation factors with respect to cost, location, and priority of construction. Many would not recognize the significance of the labyrinth of underground pipes and ducts that deliver water and which remove sewage and wastewater from every dwelling in the city. Underground utilities were central in determining the direction, timing, and nature of physical growth in post-war Calgary.<sup>66</sup> They were more important than other infrastructure, since the release of mortgage moneys was contingent upon their availability. Perhaps nowhere were there stronger statements made about their importance than those expressed by the City in its Brief to the Royal Commission on Metropolitan Growth in 1954.

The availability of utilities was directly related to topographical and cost factors. In fact, comparisons between cities in terms of spatial development patterns are often difficult given the variables dictated by utilities issues. In that sense, every analysis of a city's physical growth can be no more than a case study.

The City of Calgary sits where prairie meets foothills. Its terrain is rolling and punctuated by two major rivers and two creeks. The Bow River approaches the city from the west and swings south at the eastern limits. The smaller Elbow River snakes in from the southwest and merges with the Bow at Fort Calgary, a few blocks east of City Hall. Fish Creek runs west-east and joins the Bow in the city's southeast environs, while Nose Creek runs north-south and empties into the Bow east of the zoo. The result is a series of hills, ravines, escarpments, and valleys that have dictated the transportation routes, green urban space, and most of all utilities easements and rights of way. For example, the height of land and accompanying water pressure problems necessitated reservoir construction, and compromised development in the north above the 3,700-foot contour. Extensive expansion beyond this altitude had to wait until the 1970s when a gravity water supply from the Bearspaw Dam to the west became available. A natural drainage basin to the east precluded residential development there. The fact that the city slopes towards the southeast foreordained the direction and location of the sanitary sewer trunk lines. This impacted in part on westward residential expansion. It was too expensive, for instance, to bring utilities to the Strathcona area in the 1950s and 1960s. The role of utilities is seen elsewhere. The annexation of Forest Lawn, Montgomery, and Bowness was delayed because of the cost of utilities installations. The City's first plan to encourage residential development on the north hill in 1953 was restricted to the area tributary to the trunk sanitary sewer.<sup>67</sup>

Utilities extensions were also expensive to install and over the entire period averaged about 15 percent of the cost of a house. Subdivisions thus developed in response not only to feasibility but to costs that may or may not be associated with topographic factors. For instance the length of necessary trunks, and their proximity to treatment plants, pumping facilities, and drainage basins, often determined priority of subdivision construction. Here the role of the City Engineer was pivotal. Not only did he chair the powerful Technical Planning Board in the formative 1950s, but he also scrutinized all subdivision applications in terms of utilities expense and feasibility and frequently recommended against them. For example, he disallowed expansion in Ogden in 1953 because

of sanitary sewer problems, and delayed development in north Glamorgan because utilities capacity was inadequate.<sup>68</sup> The first application to develop Canyon Meadows was refused on the Engineer's advice because of water supply problems.<sup>69</sup> Generally cautious and protective of his budget, the City Engineer assessed developer initiatives against commensurate civic expenditures. As Commissioner George Cornish once remarked: "Specific financial commitments by the city council to construct capital facilities ... was far more definitive in determining the city's direction of growth than policy decisions which can be changed from day to day and from Council to Council."<sup>70</sup>

Finally, underground utilities were the most significant arbiters of change. With respect to residential growth, it is contended that the most important decision ever made by the City was to transfer the responsibility for utilities installations from its own departments to the developers. When the City was developing subdivisions it did so in relation to its own capacity to install utilities and construct trunks. However, when the developers secured the right to provide and largely pay for water connections, and sanitary and storm sewers services to residential subdivisions, the City in effect lost the real power to direct growth. The crucial role of the land developers in directing outward residential physical growth virtually fell to them by default.