Chapter 2 Going It Alone, 1945–1954

The decade following the end of World War II saw the City of Calgary face the future with a rare confidence. In fact the City had been dealing with exceptional circumstances since 1929, the last good year before the onslaught of the Great Depression. Until the early 1950s, the City was able to satisfy housing needs through its own departments. By 1953, this task had become sufficiently formidable to require drastic measures. The decision to allow the private sector to finance and construct suburban Calgary heralded the age of the developer. Though alternatives probably existed, the reasons behind this decision were rooted in philosophical considerations and a host of practicalities.

The Calgary of 1944 was hardly a metropolis despite its large area of approximately 40 square miles. Its annual budget was a little over $4 million with a bonded debt of around $9.5 million.[1] Most of the population of around 100,000 lived in the valley of the Bow and Elbow Rivers that converged from the west and southwest at the site of Fort Calgary. Street car routes which followed the valleys defined the level of settlement mainly to the west along Kensington Road, north in the Crescent Heights area, south around Stanley Park, and in the Altadore area to the southwest. The Canadian Pacific Railway maintenance facilities had produced the isolated suburb of Ogden in the far southeast. All areas were served or readily serviceable by utilities. Fringe settlements outside the

TABLE 3

Number and Value of Building Permits 1945–1978 (Selected Years)

Year	Number	Value (000s)
1945	2,448	$7,280
1950	4,136	$25,864
1953	4,972	$42,121
1958	7,278	$101,564
1965	5,972	$129,126
1972	10,224	$223,624
1978	16,693	$1,059,353

city limits existed at Montgomery and Bowness to the west and Forest Lawn to the east.

In 1945 Calgary was unprepared for any large-scale population increase, let alone that which engulfed the city after the Leduc oil discovery in 1947. Between 1946 and 1955, city population increased by 80 percent, a phenomenal number and well above the annual 3 percent increase beyond which existing infrastructure was compromised.[2] Between 1949 and 1953 the value of building permits doubled, reaching over $42 million. More significantly, the City's bonded debt went from $9.53 million in 1944 to $41.5 million in 1954. These statistics were telling indicators of what became increasingly pressure-filled years for civic administrators. Compounding their problems was the fact that, beyond a pre-war zoning bylaw and a land sale policy that seemed to change by the year, there was no long-range land use policy to guide them.

This lack of direction was manifest between 1941 and 1945 when the City depleted its land bank and subsequently compromised its ability to control the sudden and dramatic growth after 1947. In an effort to counter a severe housing shortage due to wartime constraints, the City had instituted a policy whereby City-owned land was sold well below assessed values. Land on the periphery of the City was virtually given away providing it reverted to acreage. The bargains were tremendous. Twenty lots in the Windsor Park area went for $450.[3] Thirty-four lots in Ogden sold for $250.[4] Thirty-one lots on Edmonton Trail at Ninth Avenue went for $1,400.[5] Farther north on 33rd Avenue west of Edmonton Trail, a whole block sold for $575.[6] Three acres in the Mount Pleasant district went for

$40 an acre.[7] Land in the Belfast area was offered at $35 an acre, and some eventually sold at $25 per acre. As of September 30, 1945, the City had disposed of 7,205 lots and 3,505 land parcels for $890,000.[8] In the summer of 1946 alone, 5,390 lots and 434 land parcels with an assessment value of $324,760 were sold for $141,066.[9]

Three results showed the long-term folly of this policy. All had implications for the City's ability to direct development within its boundaries. First, the City later found it very expensive when, mainly for re-plotting reasons, it became necessary to repurchase some of these parcels. One acre on 17th Street S.W. that was sold by the City in 1942 for $1,700 was bought back in 1955 for $14,700. Ten acres were sold to a market gardener in 1947 for $1,500. When the City needed the property in 1955, the owner asked $65,000 and settled for $54,000.[10] Another ten acres in the Richmond area that were snapped up for $1,700 in 1940 were sold to the City in 1955 for $24,000. Given the amount of land the City needed to buy in order to assemble its own housing subdivisions, this extra expense was an unwanted burden.

Second, not only had the City reduced its land bank, but much of it had fallen into the hands of speculators who capitalized especially if their holdings were in areas currently being developed by the City. One speculator who bought over 40 lots at $150 apiece in Altadore in 1946, sold them three years later for over $600 each. The later Turcotte Inquiry documented cases where City officials profited handsomely on real estate transactions in the late 1940s and 1950s.[11] In September 1952 the City tried to control speculation in its Manchester subdivision by placing strong restrictions on land disposal. By 1950 the practice had become rampant enough for the secretary of the Calgary Trades and Labour Council to note that "the person who wishes to build for himself finds he cannot purchase a lot unless he is prepared to go to a speculator and pay at least double the price the City received, a price that is likely to be 3 or 4 times the assessed value of the property."[12]

Third, the building commitments under this policy resulted in scattered settlement on large parcels of land. Once sold for subdivision purposes they needed to be re-plotted. This was a time-consuming and often expensive process, particularly when residents were holdouts. Others, not pressured by re-plotting, petitioned for utilities. In 1953 the City Engineer commented that such requests were tantamount to "the straw that breaks the camel's back."[13]

It was standard practice for the City to develop residential subdivisions according to need by surveying and grading the land and then selling lots to individuals and builders on a bid, or set rate. Utilities were provided by the City upon petition and partially charged to the homeowner on a local improvement basis. City policy was to borrow for these and then clear the debt as quickly as possible.[14] It saw no reason to change this policy after 1945. Between 1945 and 1950 the City developed enough land for around 700–800 houses per year. In 1950 this figure had increased to 1,200 lots in eight City subdivisions. In established subdivisions development proceeded a block at a time, with half the lots reserved for individual buyers and the other half for builders. With new subdivisions, lots were advertised for sale to individuals for ten days, after which time the building contractors could bid. Competition for lots was fierce. Builders secured more than their quotas by using stand-ins to buy for them. When their own turn came they bought as many as they could, almost always building a single home on two 25-foot lots. By 1952, the larger builders were developing subdivisions in Briar Hill, St. Andrews Heights, Parkdale, and Altadore.[15] In 1950, Bill Jager paid $3,400 for 40 25-foot lots in order to build 20 homes in the Knob Hill area and Ellis Keith laid out $8,300 for 63 lots for 30 homes in Banff Trail. Engineered Buildings bought 125 lots for 63 homes in Parkdale for $19,200.[16] This movement towards the 50-foot building lot, which became official policy in December 1954, was probably the private sector's first contribution to the process of urban sprawl.[17]

As the demand for lots began escalating in 1950, the City tried to keep up. In 1952, for example, 22 miles of sanitary sewers and 13 miles of storm sewers were installed. In a 100 percent increase over the previous year, 40 miles of paved and gravelled roads were constructed in addition to another 70 miles in sidewalks, curbs, and gutter.[18] In 1952, over 2,250 homes were built. Land absorption for residential use jumped almost 60 percent over 1950–51.[19] In 1953 the City opened two new subdivisions in Spruce Cliff and Britannia as well as additions to established subdivisions in half a dozen areas. But to the building contractors, it was simply not enough to meet continuing demand. In a very explicit but tactfully worded presentation to City Council on October 15, 1951, the Calgary House Builders Association painted a dim picture of subdivision development. Impassable roads discouraged prospective buyers. The Association called for several remedial measures that included double shifts by the City Public Works Department during the summer months and a more sustained attempt to integrate utilities installations into the overall construction process. In one telling statement the Association noted that one of its members "has, at his own expense graded roads in the property he is developing and we are certain that this will pay him dividends in a quicker and easier sale and in being able to complete his house sooner."[20] A few months later a Building and Planning Department report, in offering solutions to increase the percentage of annual development in City-owned lands, suggested that one viable option was to allow private contractors to buy and develop the land.[21]

It was against this background of concern that the events unfolded in 1953–54 which resulted in the significant policy changes that were to determine the future of residential development in Calgary. Three forces were at work. The exigencies associated with the first two lent plausibility to the City's actions. The third imposed an inevitability that left the City with no option.

The first was the rising doubt over the City's financial ability to continue its present policies. After 1950, as the demand for utilities increased, greater strain was placed on local improvements and the debt charges necessary to retire them. Between 1944 and 1953 local improvement expenditures increased over twelve-fold. For example, the cost of installing utilities in an area of Spruce Cliff amounted to over half a million dollars.[22] By 1954 the utilities portion of the debenture debt was \$11.5 million, or double what it had been in 1950. The amount charged to local improvements had risen from \$2.8 million in 1952 to \$7.8 million in 1954. Overall debt charges were rising rapidly. On a per capita basis they had increased from \$56.79 in 1944 to \$141.46 in 1954. They were estimated to be one-fifth of City expenditures in 1955, and fears were being raised that the debt was approaching an unacceptable 64 percent of permissible borrowing. [23] Most disquieting, however, were reports by the Chief Engineer on projected utilities and road costs to 1957. Commissioners were appalled to learn that utilities expenditures would amount to \$13.9 million, with another \$10 million for streets and bridges.[24]

Faced with these disturbing prospects, the City first sought the alternative of exploring the Edmonton example, where lots were sold on a prepaid basis, that is, with the cost of utilities and other services built into the price of the lot.[25] After consulting with the C.M.H.C., which expressed concern over the loan implications of higher land prices, the Commissioners prevaricated. It took another year before Administration reluctantly concluded that prepaid utilities constituted an effective method of controlling rising local improvement costs. Noting that the price of lots would more than double, Administration recommended the new policy with qualifications on January 19, 1954, and it was adopted by Council on May 25. It was to be applied only in new subdivisions, and restricted to sewer and water in lower income areas. [26] The policy was not popular. The City had to revert to selling under local improvement when lots in the City subdivision of Lynwood went unsold.[27] Though the policy of selling City-owned lots on a prepaid basis was to continue for several years, it was never given a serious chance to justify its worth given the City's early abrogation of the field to the developers.

The policy of prepaid utilities compounded the second issue that pointed to the new direction. The City's inability to meet demands for housing and to provide roads and utilities had led to buyer unhappiness. In 1953, people stood in line for three days hoping to buy one of the 118 lots being sold in the new subdivision of Spruce Cliff.[28] Utilities installations lagged, and were often not in place when house construction was completed.[29] Spruce Cliff was described in June 1955 as a "glorified mud hole," and a month later the Spruce Cliff Improvement Association complained to the City of impassable roads that defied emergency vehicles.[30] The City Engineer pleaded with his superiors to install utilities more quickly in subdivisions involving public and private development, noting that the City "should rough grade their land first just like the private developers who improved their land much faster than the city."[31] Other problems involved land assembly, where holdouts made it very difficult to assemble land on time for the construction season.

There can be little doubt that by 1953, the City was feeling the pressure of utilities provision in new subdivisions and the mounting debts being charged to local improvements. Clearly new measures were warranted, and the official mindset had not settled on prepaid utilities. The alternative of moving the financial burden from the public to the private sector was foreordained by 1953. However, it had less to do with financial circumstances than one might imagine. There was an inevitability that transcended civic policies, an inevitability that was linked to developer initiative and to cries of land shortage. These two factors, visible in the second half of 1953, were to reappear repeatedly over the ensuing 25 years as the twin drivers of outward residential development.

As late as 1953, the City was not anticipating any expansion of its boundaries. Indeed, if anything, the situation seemed the opposite, as evidenced by a Building and Planning Department report in 1952.[32] The Report concluded that the most disturbing feature of physical expansion between 1946 and 1952 was the release by the City of considerably more land than was needed to accommodate increased population. The Report claimed that land serviced between 1946 and 1952 had been only 60 percent built up at an unacceptable density level of 7.3 persons per acre. It further argued that the projected population increase of 25,000 between 1953 and 1957 could be almost entirely contained within land already serviced. These contentions were later supported in July 1953 by a more detailed report by the Calgary District Planning Commission and the City of Calgary Planning Department. Essentially the City's first long-range plan, the Report stressed the crucial need to integrate the economics of utilities installations into population growth projections. In predicting growth to 1980, the Report argued that only 1,769 acres would be required outside the city limits at 10–12 persons per acre to house the anticipated population. Warning of the danger inherent in liberal land-use policies, the Report noted prophetically that "it will be most difficult to enforce any conditions requiring the construction of buildings within a certain time if more land is released than is actually required to satisfy the calculated public demand as opposed to the demand of the contractors."[33]

The latter report significantly underestimated population growth and clearly demonstrated the rudimentary nature of planning projections in the early 1950s. In predicting that the oil boom would be temporary, the report anticipated a slowdown in population. The city's population increase was expected to fall from its present 8,000 a year to 3,000 by 1960, and to 2,000 after 1967. It is small wonder that the 1980 projection of 230,000 was off by about 330,000. The point is not that the projections were wrong but rather that they reflected current thought within segments of the civic administration. In 1958, after admitting that the City had underestimated the rate of expansion, the City Planning Department still stood by the report and noted that the basic principles of the plan were still valid.[34]

A month later, in a follow-up to the July 1953 report which had recommended residential development north of the Bow River, the City announced a major plan for housing construction there. The plan was feasible, since most of the land was City-owned and easily served with utilities.[35] Development was proposed west of Mount Pleasant through Rosemount and Cambrian Heights, Capitol Hill and Collingwood through to Brentwood and Charleswood, all within the city limits. On August 31, 1953, Council authorized the acquisition of a 300-foot right of way for trunk sewers to serve "a vast area" of residential land in northwest Calgary to be opened for development in 1954.[36] It was a well-reasoned and attractive plan that envisaged modestly priced residences.[37] The plan also called for the development area to be constrained by a continuous band of open spaces in the form of parks, golf courses, and where topography dictated, natural green space areas.

Thus, in terms of future growth, the City had recommendations and a plan in place in the fall of 1953 that might have restrained expansion or at least held it off until alternative polices were thought through and executed. This was not to happen for a very simple reason. The presence of two developers operating on the city fringes influenced civic administrators by pleading land shortages. The inevitable results were annexations and a transfer of development initiative to the private sector.

The first change agents were the engineering consulting firm Haddin, Davis and Brown, and building contractor Ellis Keith. In 1952 a feasibility study conducted by the former revealed the cost-effective potential of developing certain lands outside the city limits.[38] In the fall of 1953 Ed Davis, President of Haddin, Davis and Brown, approached Chief Commissioner Ivor Strong respecting a particularly appealing area just west of the city limits at 37th Street S.W.[39] At the same time, building contractor Ellis Keith was seeking land to satisfy the growing demand for housing. In fact Keith was interested in the same piece of land and had actually approached the City about the feasibility of utilities connections there. Davis and Keith linked up. The results were fourfold. The first was a "gentleman's agreement" with Ivor Strong to bring the subdivision into the City through annexation upon completion. The second was an understanding that utilities installation costs were to be borne by the developer. The third was the formation of Kelwood Corporation in October 1953 with Ed Davis as president.[40] The last was the purchase of a quarter section of land at $400 an acre and the construction of the subdivision of Glendale, primarily by Ellis Keith, Bill Jager, and other Kelwood builders. A few months later, after the formation of Kelwood, Art Sullivan, a Kelwood founding member, commenced the subdivision of Corlet, later Meadowlark, just outside the city's southern limits.[41]

The formation of Kelwood reflected the dovetailing of specialized interests that characterized Calgary's early land development industry. It was born out of mutual need rather than a conscious attempt to dominate the market. Kelwood was a vertically integrated company but resembled a consortium through its individual participants. The five founding members who contributed the sizable sum of $120,000 to launch the company were engineers Haddin, Davis and Brown; utilities specialist Borger Construction; and builders Keith Construction, Bill Jager, and Art Sullivan. The latter soon left the organization and his place was taken by Burns and Dutton, a large construction company whose principal work was in streets, sidewalks, and paving. When Haddin, Davis and Brown terminated its association in 1961, it was replaced by Delray Engineering, headed by Les Cosman. Later, Sun Gold Investments joined the corporation. Kelwood's rapid growth reflected the rising demand for housing. Within three years, the company was constructing around 40 percent of new homes in the city. The need to counter Kelwood's monopoly was a pivotal factor influencing the formation in 1958 of the second of Calgary's home-grown major land development companies, Carma Developments.

The pioneering role of Ellis Keith in the Calgary construction industry also deserves mention. A missionary's son from Raymond, Alberta, Keith, like most other builders of the day, started out with virtually nothing, operating from a two-by-four shack near the Louise Bridge, and after founding Keith Construction in 1950 began building homes in Parkdale.[42] Ever practical, Keith followed the market and concentrated almost entirely on building single family residences on large tracts in the city's southwest. His vision manifested itself in three national awards for design, and in his innovative lake communities.[43] Over the years Keith tightened his hold on Kelwood until its ultimate disposition to the Genstar group in the early 1970s. In the interim, Keith and fellow Kelwood executives like Ed Davis and Norm Trouth were tough negotiators, and it was they who comprised the first developer team to deal with the City on a large-scale, long-term, consistent basis.

The second initiative came from the Calgary House Builders Association and the Spyhill Development and Holding Company. Spyhill was incorporated in May 1953 and headed by a group that included plasterer-builder Frank Howie, and teacher-turned-farmer-turned-builder John C. McLeod.[44] Howie and McLeod, both members of the Calgary House Builders Association, had heeded a general importunity to the membership from the Association executive to acquire building tracts for development. They persuaded local landowners and business acquaintances to participate in the purchase of around 400 acres of ranchlands north of the city limits for $52,000, and then approached the City.[45] In a brilliant strategy, B.L. (Tiny) Gienow, Chair of the Calgary House Builders Association Show Homes Committee and the man responsible for Calgary's first parade of show homes in 1952, suggested that the 1954 Parade of Homes be located in the new subdivision. The result was remarkable. The 1954 Parade of Homes opened in Thorncliffe Heights on August 21, 1954 and consisted of 23 show homes built by members of the Alberta House Builders Association. In effect what might have been just another development

Impassable roads in a new subdivision, 1954.

proposal became a joint effort involving a sizable percentage of the Calgary construction industry. It was a phalanx not easily ignored, a fact evidenced by the co-operation extended to the developers by the City.[46]

As 1954 unfolded, Thorncliffe Heights took definite form. Construction of the show homes was under way, and in May John McLeod, through a written agreement with the City, bound Spyhill to install utilities and services in Thorncliffe Heights at its expense.[47] In addition to paying for utilities installations within the subdivision, the company had to pay the City $9,305 for sewer leads from the Nose Creek trunk and $62,000 for the water extensions.[48] Details as to why utilities in show homes outside the city limits were connected to the city system are unclear. According to McLeod, the installation was possible because Spyhill obtained an adjacent piece of land that projected south into the city.[49] In any case, the show homes were ready for opening on August 21. For the next two weeks, Calgarians braved the mud and rode buses hired by the company to visit the impressive display of homes on Thornton Road. Over half a million dollars were spent on these houses, which boasted innovations like double sliding closet doors, "ceiling" windows, all metal kitchens,

Some of the show homes in Thorncliffe, 1954.

and living rooms designed to include a television set. In addition, two large halls featured over 20 exhibits by local companies and included appliances, paints, wallboards, carpeting, and draperies.[50] Builder-participants in the 23 show homes read like a Who's Who of the Calgary construction and development industry present and future. They included Keith Construction, Quality Construction, Nu-West Homes, Engineered Buildings, Art Sullivan and Co., and Jager Construction. Special note was made that all homes were eligible for financing under the recently amended National Housing Act. Blessed with C.M.H.C. approval, Thorncliffe Heights, with its contoured streets and the conveniences of shopping, schools, and churches, was a grand display of the Calgary of the future,[51] and a prototype for the "Neighbourhood" concept of subdivision development recently adopted by the City.[52] Not surprisingly, the Parade was an unqualified success. With projections for over 600 houses modelled on the show homes, the City had been presented with an irresistible lure. Annexation, already assumed by both the City and Spyhill, had now become inevitable. A month later, the District Planning Commission asked the City Engineer and Planner to furnish details respecting utilities costs in the area to be annexed and further to consider annexation in terms of wider plans for urban growth.[53]

The Thorncliffe Heights subdivision was crucial in that it was the first to be covered by a written understanding that transferred the costs of street and sidewalk construction and utilities installations from the City to the developer. Though brief, it outlined a division of responsibilities and financial commitments. The subsequent standard developer agreement which evolved between 1955 and 1958 defined a way of doing business that was to change little over time. Though Spyhill continued in the development business, it never rose to the position of dominance occupied by either Kelwood or Carma. It can, however, lay claim to precipitating the change that shifted the onus for suburban residential development from the public to the private sector.

In January 1954, Spyhill and Kelwood began a dialogue with the City that integrated annexation with their provision of services. On January 12, Spyhill made formal application to the City for annexation, arguing that its 775 lots "will go a long way towards assisting the City of Calgary in meeting the demand for lots in private homes in the year 1954." It also stressed the fact that several builders wanted assurances that annexation would take place before proceeding with confidence.[54] Kelwood argued it would be cheaper and easier for the City to maintain essential services like police and fire protection and garbage disposal in Glendale if the area was in the city.[55] Predictably, the annexations went through without trouble. Six and a half sections running east-west and including Thorncliffe Heights were added to the city northern boundaries by a Board of Public Utilities Order on September 9, 1954.[56] Spyhill's favoured position through its written understanding with the City was evidenced by the fact that the effective annexation date, first set for December 30, 1954, was later changed to December 30, 1953. In the absence of a written agreement, Kelwood was not so fortunate. Though Glendale was included in an annexation order on February 28, 1955 for a half-mile strip to the west between 37th and 45th Streets and from the Bow River to 50th Avenue South, it was made effective December 30, 1954.[57] In urging this annexation, Kelwood had wanted it predated to December 30, 1953 so that it might recoup maintenance expenses from the City. The Board of Public Utilities, however, agreed with the City and the Municipality of Springbank, both of which preferred a December 30, 1954 date. In early 1955, land adjacent to Art Sullivan's small acreage in Meadowlark was annexed.[58]

As annexation became a reality, the developers were determined that there would be no going back. Soon after the north annexation in

September 1954, a developer in Thorncliffe Heights sent a strong letter to the City noting that the only holdups being experienced were due to the City's failure to meet its obligations. It further warned that any return to "the old system" was unthinkable.[59] Kelwood later provided the new philosophy towards land use when it informed the City of its intention to buy 130 acres for a new subdivision in the proposed annexation area. In calling for the City to allow it to integrate development with public demand, Kelwood noted that "It is not either in the city's interest nor Kelwood's interests to service a great deal of land which will lie idle and undeveloped."[60]

By the end of 1954, an era had ended. The way was open for residential development to pass to the developers through the right to construct and pay for utilities installations and roads within their subdivisions. Though abetted somewhat by the City's financial constraints, the change was largely brought about by two companies. One took the informal route, and by assuming the total costs of construction secured a verbal agreement with the City for annexation upon completion of its Glendale subdivision. The other guaranteed annexation by involving local builders in a Parade of Homes in Thorncliffe and by assuming the financial responsibility for utilities installation through a written agreement with the City. In this sense the transfer of utilities installations to the private sector and the beginnings of gross expansion were complementary.

Discussion

Two central points of discussion emerge from the events that transpired up to the end of 1955 respecting the developers' future role in subdivision development. The first concerns need, and the validity of the City's actions in transferring the cost of utilities installations to the developers. A corollary questions the wisdom of delegating this new responsibility to developers operating outside the city limits.

Arguably the City did not have to transfer the cost of utilities to the developers. It could have maintained the current policy and continued to fund the installations through local improvement taxes. The true costs of a house were more hidden when the developer was able to integrate them into the mortgage. Furthermore, given the City's general belief that it faced a drastic population slowdown after 1960, it was surprising that no one at City Hall opted for continuing what was, after all, accepted policy. The prepaid services option was not given enough chance in spite of the fact that it was practice in other Canadian cities. An initial negative reaction was predictable, and doubtless would have abated through time. After all, homebuyers had to buy their lots prepaid from the developers. Even after the developers assumed the utilities costs, the City continued to sell and develop subdivisions on a prepaid basis, but half-heartedly and with the avowed intention of withdrawing altogether as soon as practicable. A general utilities tax was another alternative.

Over 20 years after the decision to hand over servicing costs to the developer, the City offered its opinion on the financial impact on the homeowner. In a submission to the provincial government on developer agreements in 1977, the City argued that the homeowner would not have benefited financially had services been installed by the City and charged to local improvement as was the practice before 1954. It was an interesting conclusion and one based on cost analyses and available figures, and not on the rationalization one might have expected in the mid-1950s.[61]

It appears that three factors guided civic administrators in their decision to shift this significant responsibility to the private sector. First, senior civic administrators during this period, and especially in these early years, were very conscious of their fiscal responsibilities. Unaccustomed to rapid growth and its financial costs, the City Commissioners shrank before the daunting implications of long-range capital expenditures and the tax increases necessary to sustain them. As one of the Commissioners on the McNally Commission on the Metropolitan Growth of Calgary and Edmonton noted in 1955, "City Councils are as reluctant as any other elective assembly to identify themselves with increases in taxation."[62] Furthermore, individual departments guarded their budgets zealously, particularly the Chief Engineer, whose caution was manifest and on whose advice the Commissioners relied so heavily. Equally worrying was the problem of ensuring that the City had the manpower on its payroll to keep pace with development. It was also believed that the City was a laggard when it came to utilities installations. The year 1953 had convinced the Commissioners of this deficiency. Finally there were the administrative and public relations headaches associated with implementing and maintaining a rapidly expanding public service. With complaints from the public about delays, unfulfilled commitments, and vague predictions about when and where utilities would be available, a harassed and understaffed administration sought the best practical alternative, one that stood waiting in the wings and very able and more than willing. Simply put, the developer route was easier to go. It was believed to be cheaper and was certainly faster. It also promised fewer headaches. One is reminded of a later comment by Mayor Rod Sykes respecting this decision: "We abandoned the pay as you go system a number of years ago. We did it for municipal convenience, for administrative comfort and not for the good of the community."[63]

Here the City's experience in developing the subdivision of Britannia is illuminative. Situated on scenic land above the Elbow River, Britannia was conceived in 1953 as a high-priced subdivision. Admittedly it was a risky gamble. Some of the land was in private hands, which necessitated some financial arrangements prior to the obligatory re-plotting process. Heavy expenditures were needed to convert the rolling ground into 240 lots, a figure that ultimately exceeded $4 million, of which more than half was to be assumed by the property owners in local improvement taxes. Furthermore, there were uncertainties regarding the public response to lots that cost as much as $7,650 without utilities, many on wide 80-foot frontages and all with building restrictions.[64] Nevertheless, after rejecting a generous purchase offer from the Toronto General Trusts Corporation, the City lined up seven building contractors, launched a strong advertising campaign, and went ahead.

The extent of the gamble was soon obvious. Even before lots were sold the City was being criticized for turning one of Calgary's scenic areas into "an unpleasant sore on the face of Calgary."[65] Lots sold slowly even on a local improvement basis.[66] When sales opened, there were only eight buyers for lots at the upset price of $6,000 per lot. The City was forced to drop its price for the most expensive view lots to $5,000 and to $3,000 and under for the inside lots.[67] By the end of 1954 only half the subdivision had sold. Though the Superintendent of Land and Rentals was later to remark with some justification that "we consider Britannia the best residential area developed in Calgary to date," one wonders about its sobering effect on civic officials. Were such harrowing experiences worth the effort?[68]

The City also believed that privately developed subdivisions were more cost-effective and efficient. In August 1953, an engineering consulting firm advised the City that development costs per lot favoured the private developer over the city by $251.74.[69] When the City sold its Belfast subdivision it debated whether to install utilities and services itself or contract the work out. Its estimate of $670,000 was easily undercut by Poole Construction's bid of $601,000.[70] According to Ed Davis, Kelwood could build a house at a cost savings of over 20 percent as compared with the former inefficient and piecemeal City system. He describes the procedure followed by his company:

> The Kelwood engineers organized all the paving utilities and earth moving contractors, and house builders to achieve the lowest total costs. All services, domestic sewer and water, storm sewers, streets, curbs and sidewalks, electric power and natural gas lines were constructed in advance of the houses to facilitate their year round construction on a dry site. Arrangements were made [for] the gas company to co-operate with Kelwood and lay gas on predetermined grades. Using portable heaters, concrete pouring, plastering and painting walls could be done in otherwise cold, idle months. The engineers developed the rolled curb and continuous sidewalk which was cheaper to build and also allowed the placement of a front driveway to accommodate any choice of house plan.[71]

Davis also felt that Kelwood's policy of buying large land parcels in easy-to-service areas resulted in lower lot prices, citing as examples the purchase of Harry Hays' dairy farm for Haysboro; the Earl of Egmont estate for Willow Park and Lake Bonavista, and the Burns ranch lands for Fairview, Acadia, Parkland, and Midnapore.

The second issue, as to why developer-installed utilities initially occurred outside the city limits, is more speculative. One would think that a shift of this magnitude would occur within the city where the need was greatest. According to the two reports discussed above, the City had enough land within its boundaries to support significant development. Certainly one developer thought so. In June 1953, E.L. Wade, Manager of the Glencoe Engineering and Development Co. Ltd., brought the matter to Commissioner Ivor Strong's attention. In his letter, Wade identified his group as a syndicate formed by members of the Calgary House Builders Association, and suggested that private developers should be responsible for preparing and servicing subdivisions on City-owned land. Specifically, Wade offered to buy City-owned land for $1,000 an acre and service it with sewer and water, sidewalks, curb and gutter, and gravel roads to the City's specifications. His rationale was cost-efficiency:

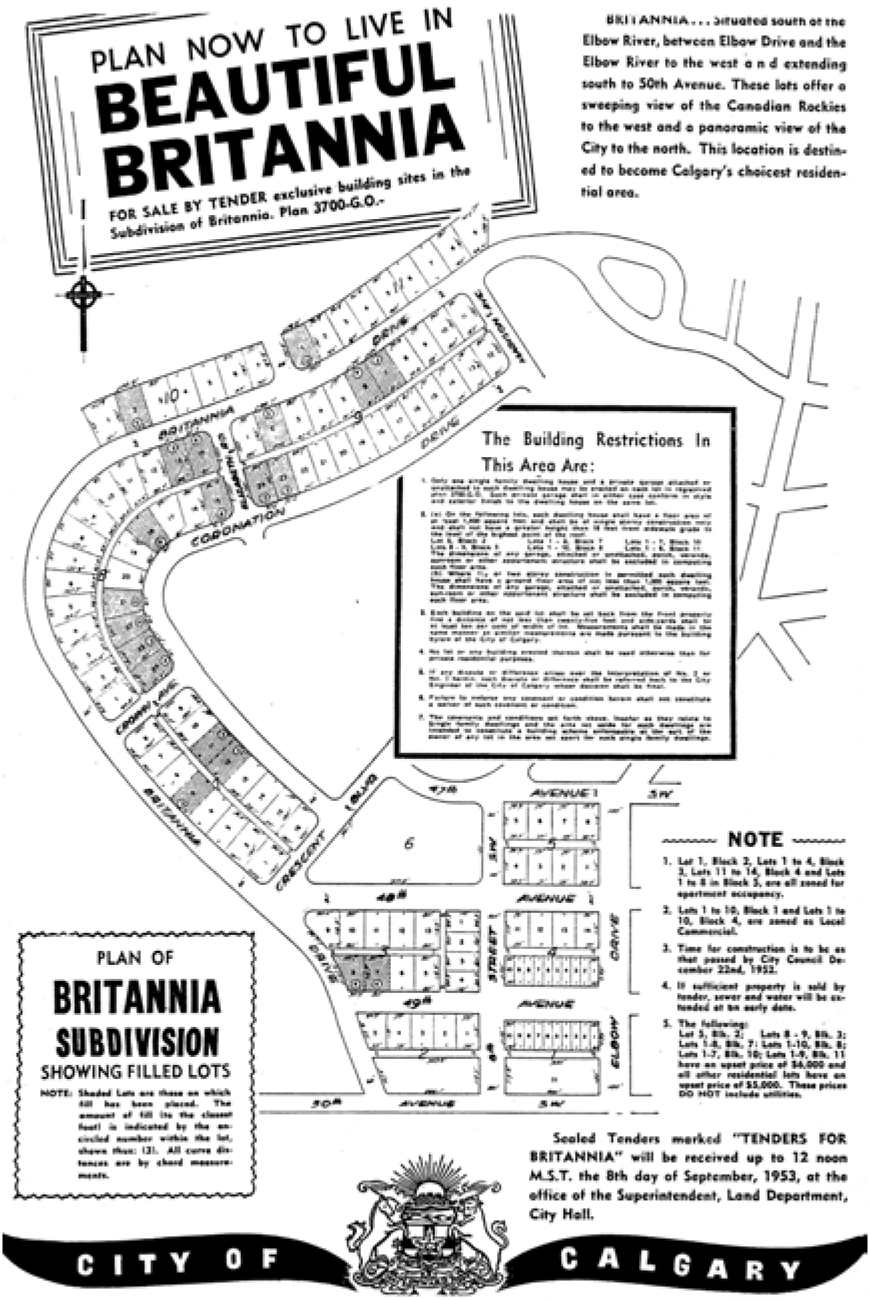
> It is our contention that in this way property can be serviced much more readily at a smaller cost in actual per lot service charge and the City would not be asked in any way to bear any of the local improvements such as there are today in the subdivisions where improvements of side streets and the like deduct a considerable amount from the actual sale price of each lot sold by the city.[72]

It seemed like a reasonable suggestion. Both City- and privately owned land within the corporate boundaries would be developed by private developers. The significant difference was that the City would no longer be responsible for utilities installation and roads. Moreover, it was argued that development costs would be less and therefore beneficial to the homeowner. The City, however, did not follow up.[73]

The decision to allow development in Thorncliffe Heights (or even Glendale for that matter) raises some questions about the planning process and policy making. The fact that the Thorncliffe subdivision was not contiguous to any existing built-up area ran contrary to City policy. Second, it violated the North Hill Plan of 1953 in that it was located beyond the anticipated green belt. Third, the subdivision was developed outside the city limits on terms that the City was not legally able to offer. When the matter of annexing Thorncliffe finally came to Council for approval, several aldermen were unaware that the subdivision was outside city limits.[74] Certainly, the City had the Municipal District of Conrich's approval on the assumption of pending annexation, and any question of legality was later removed when the annexation order was back dated to take effect on December 30, 1953. Nevertheless, the fact remained that the City had sanctioned residential development outside its boundaries.

However, it seemed that there were compelling reasons for allowing residential development to take place beyond the corporate limits. First and most significant was the ready availability of utilities. In Thorncliffe, sewer trunks along Nose Creek were accessible, and they posed no problem at all in Glendale. Second, the merits of physical expansion had already caught hold regardless of any study that confirmed a good supply of available land within the city limits. Even before any approval was given to either Kelwood or Spyhill, the two most senior City administrators had decided that the present corporate boundaries were too limiting. Planning Director A.G. Martin told the Calgary District Planning Commission as early as 1952 that the city would need to expand physically in the near future.[75] By early 1954 he was convinced that there would be no slowdown.[76] He also associated residential containment within the city with higher land prices.[77] Martin was supported by Chief Commissioner Ivor Strong, who told the Board of Public Utilities that it was cheaper to provide services on land in annexed areas than in the city.[78]

The City also saw annexation as a vehicle to acquire additional developable land at little or no cost.[79] The annexations in 1954 concerned more than just the subdivisions of Thorncliffe Heights and Glendale. In January of that year, the City approached the municipal district of Conrich,



City newspaper advertisement for tenders in its subdivision in Britannia, 1953.

where Thorncliffe Heights was located, seeking co-operation in a submission that would involve several sections beyond the subdivision to the east and west.[80] Furthermore, no opposition was expected. The municipal districts of Springbank and Conrich allowed Kelwood and Spyhill to develop urban subdivisions on their periphery, knowing that annexation was a virtual certainty. As such they did not oppose the annexation applications. Similarly, the District Planning Commission, of which Calgary was a member, had no real power to force Davis, Keith, and the others to refrain from developing. Moreover, annexation was welcomed by fringe areas. Most people in the proposed areas to be annexed did not want to become part of the large municipality recommended by the Provincial Co-Terminus Boundary Commission, and therefore were not only amenable to annexation but actually anticipated it.[81] Other landholders welcomed annexation because it brought an increase in property values.

Purely practical factors were at work. Ed Davis and the City were well aware that the Glendale subdivision was easily accessible to utilities connections. Indeed this was the crucial factor that underpinned the "gentleman's agreement" between them in October 1953. Another reason related to the developer's increased responsibilities if the subdivision was outside the city. Kelwood, for example, had to install everything in Glendale, including storm sewers and flankage, with some hope that the company would be reimbursed upon annexation. This did not occur. As for Thorncliffe, one can only assume that its promotion and support by the Calgary House Builders Association in a time of high housing demand were simply too much for beleaguered civic officials to ignore. After all, they had been told in late 1953 that lot demand exceeded existing supply by 1,000.

A further reason could be linked to what became a familiar refrain, well-orchestrated by vested interests and repeated over and over again through the years until it became an accepted theme song. Developers consistently maintained that there was insufficient land within the city to meet demand, a claim often supported by civic officialdom. The Calgary House Builders Association, Kelwood, and Spyhill were simply the first in a long succession. Though refined over the years to include a relation to housing costs and assured inventories, arguments about a land shortage were central to the urban expansion debate throughout the period under discussion and beyond. In this instance the differences in predictions about lot availability doubtless helped the expansion cause. Loud claims by the Calgary House Builders Association in early 1955 that demand exceeded supply by 1,000 lots in the coming construction season more than counterbalanced a City statement made a few months earlier that the lot situation was tight but not desperately so.[82]

In all probability the "shortage" was related to other factors. For example, the 1952 and 1953 reports that documented large-scale land under use in the city were not accompanied by any details on location, suitability, or cost. Indicating adverse topographical factors and the distance from sewer trunks, developers contended that available land inside the city was scarcely "available" if development costs were significantly higher than on land beyond the corporate limits. The desire of the developers to pursue higher profit margins and the disinclination of the City to restrain them via regulation or incentive had thus emerged very early.

Finally, the City was not about to discourage private enterprise and interfere with market demand. To civic policy makers, the initiative of two developers simply reflected both principles in action. This attitude was clearly apparent when the City declined to take advantage of a generous offer by the Central Mortgage and Housing Corporation in support of a land assembly program. In November 1952, the C.M.H.C. offered to provide 75 percent of the cost of acquiring 5,000 acres of land outside the city limits in the southwest. When the Province refused to put up the other 25 percent, the City declined to become involved. [83] This shortsighted rationale showed the City's reluctance to interfere in the market by influencing residential housing development. One wonders what might have happened if the City had had the foresight to take advantage of this remarkable offer.

Two underlying beliefs about the proper role of government underpinned the complementary decisions to hand the responsibility for subdivision development over to the developers in 1954, and to expand the city's area. First was an unswerving faith in the merits of private enterprise. In this new order, the City's best role was as director and monitor. Second, expansion was seen as an easy way of stabilizing land prices while allowing the City added jurisdictional control. As for the developers, albeit only two, they had established the notion that outward growth was cheaper and therefore better than operating within the existing boundaries. As 1954 closed, the road ahead seemed clear. Free from the financial shackles and headaches associated with prescribing urban growth, the City approached the McNally Commission in December 1954 with dreams of further expansion. That it may have opened a "Pandora's Box" was not considered at the time. Furthermore, any suggestion that it had would likely have been met with disdain.