

Local Power and Its Limits: Three Decades of Attempts to Revitalize Kitchener's CBD

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[See table of contents](#)

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Article abstract

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Abstract

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Introduction

This article is concerned with the limits of local power. Local power refers here to the political and economic influence of actors who operate at the municipal level (influential interest groups and local government) and their ability to successfully pursue self-defined projects. The focus here is on the incapacity of a coalition including powerful interest groups and the municipal government to reach its goals despite the preponderant influence it enjoys locally. More specifically, the article revolves around a case study of central business district (CBD) renewal attempts in Kitchener, Ontario. It investigates some factors responsible for the decline of Kitchener's CBD, as well as the strategies adopted by the local actors to reverse this trend. Much of the discussion concentrates on explanations for the relative lack of success for these strategies. The study spans thirty years—from 1960 to 1990. The length of this period makes it possible to follow the change in the Kitchener central area from the formulation of ambitious plans arising from high interest in urban renewal in the early 1960s to later down-scaling. This down-scaling was a result of sharp decreases in federal government funding and the impact on the planning process of resident mobilization and public participation.

Kitchener is located ninety kilometres west of Toronto on Highway 401, the main Ontario east-west link. Over the period of this case study Kitchener was a rapidly growing middle-sized manufacturing centre. In 1961 it posted a population of 74,485 within a metropolitan region of 176,754 residents.¹ By 1991 the respective populations of the city and metropolitan region had reached 168,282 and 356,421.² The metropolitan region includes four downtown areas, all of which have sustained vigorous competition from suburban shopping malls since the 1960s. This city

was selected because its growth has been accompanied by sprawling development as well as by a serious decline in CBD retail activity. As a result this central sector has been the object of many revitalization proposals and initiatives. In fact CBD revitalization has dominated the municipal agenda over much of the last three decades. Kitchener reflects the Canadian situation regarding urban sprawl and public-sector interventions in central areas. However, the decline of retail activity in its CBD has been sharper than that in most Canadian census metropolitan areas.

We begin with a discussion of explanations developed to account for the limits of local power, followed by a narration of thirty years of change in the Kitchener central area and a discussion of major trends that have marked the study period. We also highlight the difficulty of carrying out substantial long-term projects that conform neither to routine delivery of mandated services nor to the provision of infrastructures in anticipation of prevailing market trends. In this sense, the perspective adopted here sides with a body of literature that endeavours to identify constraints on local government autonomy.

Constrained Localities

The first type of constraint raised in this literature concerns the fiscal strategies municipal governments are forced to adopt to maintain or achieve financial health. Peterson shows the limited fiscal options available to municipalities.³ In his view, to preserve or expand their fiscal base in a context of intense inter-municipal competition, local governments must offer attractive conditions to investors while guarding against overtaxing. These circumstances constrain municipalities' intervention possibilities, particularly regarding redistributive measures.

Résumé

Cet article décrit les changements qui ont affecté, sur une période de trente ans, le centre-ville de Kitchener en Ontario. Cette description met l'accent sur les motifs qui ont mené à la préparation d'ambitieux plans de rénovation urbaine, les circonstances qui sous-tendent une réduction de leur envergure et une réalisation partielle de leurs recommandations, et le contexte politique récent qui accorde une plus grande place à la participation des citoyens que dans le passé. L'article contraste d'une part la domination de l'arène politique locale par une solide coalition de groupes d'intérêt locaux, et d'autre part, l'incapacité de cette coalition d'atteindre ses objectifs ayant trait au renouveau urbain du centre-ville. L'article a recours aux facteurs suivants pour expliquer cette situation: le développement de la périphérie urbaine et les transformations économiques et politiques qu'il a suscité; la vulnérabilité des municipalités à l'endroit des changements de priorités de niveaux supérieurs de gouvernement; l'existence de mésententes au sein de la coalition; et le pouvoir grandissant de groupes de citoyens opposés aux objectifs de cette coalition. Somme toute, l'article tente d'expliquer les difficultés que rencontrent les acteurs qui dominent la scène politique locale lorsqu'ils tentent de réaliser des politiques de grande envergure.

Another category of constraints proceeds from the position of the municipal level at the bottom of the governmental hierarchy. This accounts for municipalities' narrow sphere of responsibilities, dependence on senior government funding and susceptibility to administrative and institutional rearrangements prescribed by higher levels of government.⁴

King and Gurr achieve a synthesis by acknowledging the existence of both internal and external constraints.⁵ From their perspective, internal constraints pertain to the finite amount of tax revenues that can be raised locally and to the presence of local interest groups and political organizations with the power to veto municipal initiatives.⁶ External constraints, on the other hand, refer to constitutional dependence on senior levels of government.

Our perspective, like that of King and Gurr, includes political and economic as well as internal and external constraints. These are grouped in three categories.

1. Dependence mostly on locally-raised revenues forces municipalities to tailor service provision and infrastructure development to existing fiscal capacity and anticipated market trends. Departure from market dictates when providing infrastructures can translate into investment costs that cannot be recouped by proportional property tax revenue increases. The municipal level is, therefore, subject to the same fiscal dependence on private development as the capitalist state. But this dependence is felt more acutely by municipalities than by senior levels of government. This is due to sharper competition for fiscally lucrative investments between municipalities than between provinces and nations (largely because of

politically fragmented metropolitan regions), a narrower taxation field, and a more restricted borrowing capacity.⁷

2. Dependence on higher levels of government for mandate definition and resources places municipalities at the mercy of provincial and federal government priority changes. This inferior status explains the need for municipalities to enter into agreements with senior governments to secure their sanction and financial contribution, that are vital to most significant locally-defined projects.
3. The last category of constraints concerns the local ability to define a sphere of autonomy that is distinct from the routine operations of a municipal government. This ability hinges on the creativity and initiative required to formulate alternative projects, as well as the power of local coalitions to inhibit political opposition to such projects and prevent the emergence of competing demands for municipal intervention. In the case of long-term projects, a further condition is the durability of such coalitions.

The article's case study illustrates how the three foregoing factors can limit municipal autonomy—hence the use of the term “constraint”—by depicting their contribution to the demise of a large-scale municipal urban renewal initiative. These same factors can be seen as enabling resources when they contribute to municipalities' success in meeting large-scale and long-term objectives (such as urban renewal in Hamilton, Ontario). As we shall see in the case study, however, it remains notoriously difficult for actors operating at the local level to maintain sustained control over these factors.

Urban Change in Central Kitchener

The historical account that follows is based on a content analysis, covering a thirty-year period, of the *Kitchener-Water-*

loo Record, the local daily newspaper. The account relies also on municipal planning documents, council minutes and interviews with five planners who played critical roles in the Kitchener Plan-

ning Department over the study period.⁸ This methodology allows us to identify pressure groups supporting and opposing core renewal as well as their respective strategies. It also allows the reconstruction of actions taken by the municipal administration, and in particular its Planning Department. The narrative is organized in three subsections that correspond to the three decades considered in the study.

1960s: High Expectations and Ambitious Plans

Two events in the early 1960s kindled interest in the renewal of Kitchener's CBD. First, CBD merchants, the Chamber of Commerce and the Kitchener Planning Board (a committee of citizens and elected representatives who advised city council on planning matters) became preoccupied with the growing threat of competition from suburban shopping centres for core retail activity. These groups urged immediate municipal action to improve core access, parking and appearance before shoppers became accustomed to suburban shopping.⁹ The second event was the establishment of the Kitchener Planning Department that began to formulate and promote urban renewal models. In July 1962 its newly-appointed Planning Director in a speech to a local social club criticized the run-down appearance of the CBD and the apathy of its merchants.¹⁰ He then proposed launching an urban renewal program. Throughout the following decade the Director played a pivotal role in devising renewal models, promoting the renewal idea, and building a coalition of local interests around this project.

The first concrete action leading to urban renewal was the formation in January 1963 of a forty-member Urban Renewal Committee headed by the general manager of a downtown trust company and composed largely of local business

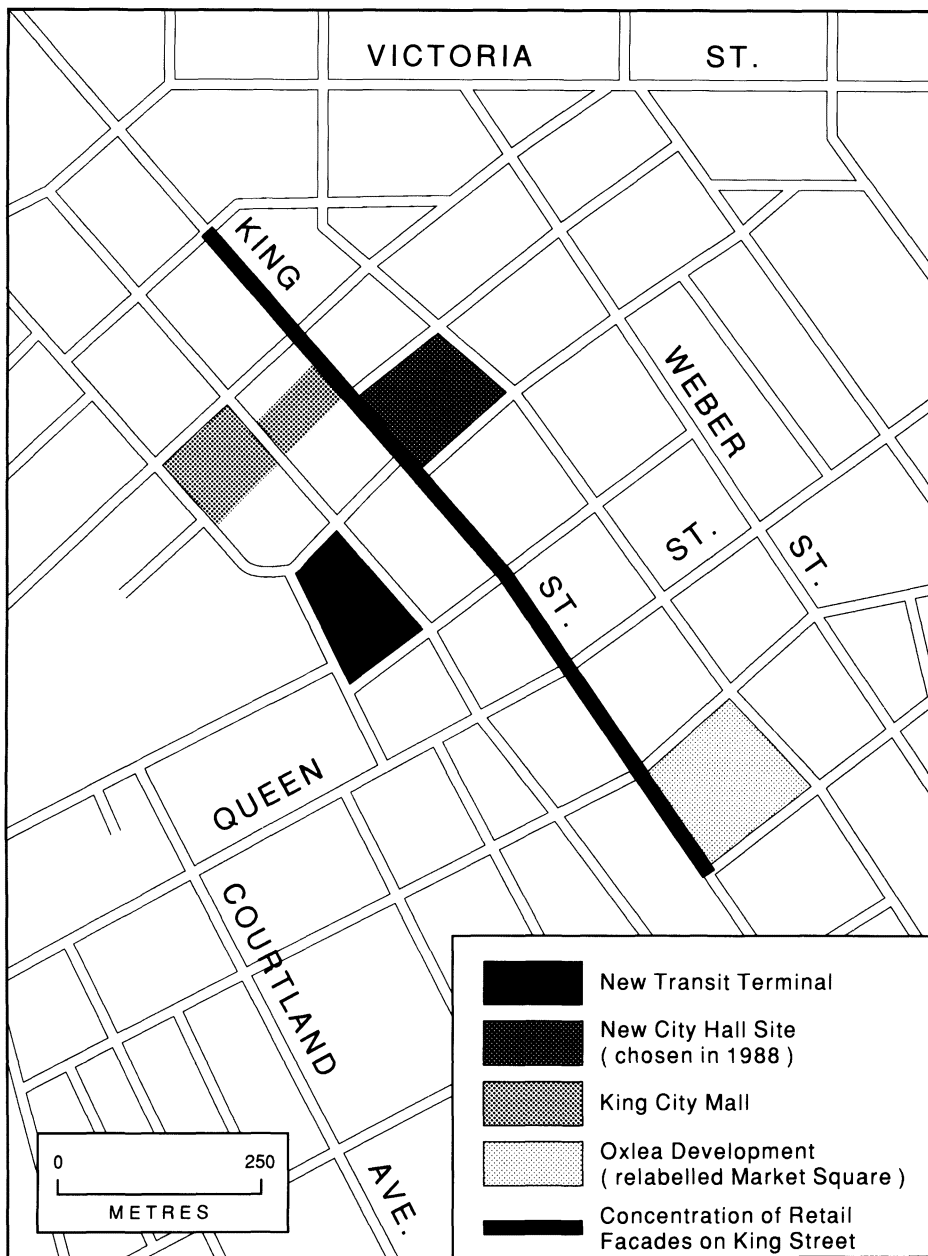


Figure 1: Kitchener's Core Area.

Local Power and Its Limits

people, most of them CBD merchants. Two subcommittees were struck: one to raise money for the planning phase, mostly from CBD businesses; the other to formulate plans. Between 1963 and 1965, a series of planning documents dealing with the core area were prepared. A background economic report identified renewal as the only way to maintain the CBD's retail share of the metropolitan region at 55% over a twenty-year period, which meant substantial retail growth given the high anticipated metropolitan economic expansion.¹¹

In January 1965, the Planning Department and the Urban Renewal Committee presented a series of urban renewal proposals consisting of the conversion of streets into pedestrian malls, and the construction of low-rise buildings in the core—mostly for retail purposes—to be surrounded by high-rise office and apartment buildings designed to house potential clients for retail establishments.¹² In fact, high-density housing had been permitted around the CBD since 1964. The model was that of a campus-style core, modelled on the 1956 Forth Worth downtown plan, whose concept had been repeated in many renewal proposals throughout North America.¹³ The Planning Director played a major role in adapting U.S. planning models to the Kitchener context. He had experienced the consequences of core-area decline and became acquainted with renewal models while a graduate student at a large mid-western university in the late 1950s.¹⁴ The plan called for a major rebuilding effort, with the municipal government playing a catalytic role by expropriating sections of the CBD and making the land available to private developers.

Although the municipal government initiated the urban renewal scheme, planning and implementation depended on funding being made available through the federal urban renewal program. This

program provided for a 50% federal government contribution, to be matched by 25% contributions from the province and the municipality. Federal approval of the Kitchener urban renewal proposal was delayed by a federal requirement for more rapid completion of the program (five to seven years) than that proposed by the city administration (over twenty years). The city hesitated to meet this requirement because it had prior commitments to other expenditures that were needed to support the rapid expansion of the city. The largest item on the list was the municipal contribution to an expressway destined to cross the metropolitan region.

Revised plans, completed in December 1967,¹⁵ called for a first phase consisting of improvements to municipal services and the acquisition and clearance of run-down sectors within an 81 acre area along King Street, the main commercial street. The cost in public funds was to be \$16.3 million, with a federal contribution of more than \$8 million (figures are quoted in current dollars throughout the text). According to federal requirements, the first phase, part of a six-phase scheme spread out over a twenty-year period, was to be carried out within a seven year period. The whole scheme would cover a 450-acre area and require approximately \$80 million in federal, provincial and municipal funds. However, as the Kitchener program was about to be approved in November 1968, the federal government froze its contribution to all new urban renewal projects pending the publication of a Housing Task Force report. This Task Force had been set up to devise a new federal approach to urban renewal in the wake of widespread opposition to such projects in Toronto and Vancouver. In accordance with the report's recommendation, the federal government decided to stop supporting traditional forms of urban renewal, that is, renewal that entailed a

widespread replacement of the existing built environment.¹⁶

After the announcement of the November 1968 freeze, the municipal administration decided to lobby the federal government for a financial contribution. The local member of Parliament was assigned the task of pressing Kitchener's case in Ottawa. Moreover, the Mayor and Council members went to Ottawa to meet the minister responsible for the Canada Mortgage and Housing Corporation. This minister, who was in charge of urban renewal, later visited Kitchener to discuss possibilities.¹⁷ The city of Kitchener had virtually unanimous local endorsement of its renewal proposals. There were no opposition movements such as those that had beset renewal in Toronto and Vancouver and given rise to the Federal Task Force.¹⁸ In 1969, the federal government bent to local pressures and made \$1.2 million available for urban renewal in Kitchener.

From 1966 to 1968, King Street's CBD portion was pedestrianised during the summer months. This policy had evolved from a two-week trial in 1966 into two summer-long periods during which street furnishing were adapted and activity programs set up. The concept was hailed as the first step toward the implementation of the 1965 renewal proposals. Merchants were originally supportive,¹⁹ but their attitude changed as groups of youth congregated on King Street Mall and clients complained about traffic and parking problems. Poor sales figures over the summer months were also a source of disenchantment. In February 1969, CBD business people voted against the pedestrianisation of King Street over the coming summer.²⁰ Meanwhile, in the fall of 1968, the municipal administration had created a King Street mini-mall by narrowing the street surface from four to two lanes and widening the sidewalks. Under pressure from CBD merchants

Local Power and Its Limits

who opposed this measure because of the loss of curbside parking spaces, Council decided in March 1969 to do away with the mini-mall.²¹ The Planning Director deplored this decision, since it meant the loss of the only tangible symbol of the CBD urban renewal endeavour.²²

It is noteworthy that throughout the 1960s, urban renewal as a concept enjoyed broad and active local support in Kitchener. This support came from the Chamber of Commerce, the Downtown Business Association and local media, as well as planners and most council members. A loose CBD renewal coalition persisted throughout the thirty-year study period. These interest groups' support for a renewal initiative in Kitchener's CBD remained strong over the 1960s despite occasional disagreements over the nature of the instruments needed to achieve renewal. All-out opposition came largely from a small taxpayers' association. However, apart from road improvements and additional parking space, few concrete changes took place as a result of renewal initiatives. In fact, at the end of the decade the CBD was in a worse state than ten years earlier because of both declining economic activity caused by the competition from new suburban shopping centres, and building decay resulting from limited upkeep in the anticipation of urban renewal programs.

1970s: Readjustment and Implementation

In January 1970, city council approved a \$4.3 million urban renewal plan backed by a \$1.2 million federal contribution, a \$1.4 provincial contribution, and \$1.7 million from the city. These funds were to be used to purchase land for a ring road, to replace underground services along King Street in the CBD, and to purchase a deteriorated block to the east of the

city hall building. The city intended to demolish the block's structures and sell the land to a developer willing to undertake a major project. Proceeds from this sale were to be used to create a rolling fund with which to purchase other run-down CBD properties. However, the available money proved to be insufficient for the purchase of the designated block because of higher-than-expected underground services costs and inflating property values.

In June 1971, city council approved the \$1 million sale of the city hall site and of adjacent municipal properties that included a small square and a farmers' market. The purchaser, a development company called Oxlea proposed a \$15 million project consisting of an enclosed shopping mall, an office tower, and a multilevel parking garage that would also accommodate the farmers' market. The project hinged on a \$2.5 million municipal contribution to the garage and market, the relatively low cost of the land being sold, and the relocation of the city hall in the development company's office tower for a fifteen-year period.

The deal between the city and the developer resulted from the work of an Urban Renewal Subcommittee formed after the announcement of federal cutbacks in 1969, to induce private development on the city hall site. The seven-member committee was composed of local politicians, planners, and business people. Interestingly, the president of Oxlea was a friend of the Chairman of the Urban Renewal Committee, and this friendship was instrumental in closing the deal.²³ The work of the subcommittee and negotiations with the developer were kept confidential until the announcement of the project in June 1971. The city administration's justification for this secrecy was that it was demanded by the development company which wanted to pick up options on

privately owned land surrounding the municipal site.

The city administration was eager to see the project take place because Eaton's, the core's largest department store, had threatened to move to a suburban mall in the absence of a major downtown redevelopment project.²⁴ The city also anticipated that this private development would trigger the redevelopment of the CBD by inducing other private projects. Another potential benefit of the Oxlea project was that the municipal land sale would at last allow the purchase of the dilapidated block to the east of city hall. Finally, the city administration stressed that the tax revenues generated by the project would more than compensate for the required outlay of municipal funds.

The Oxlea project became the target of a major opposition movement—the Citizen's Committee for a Better County Core CCFBCC—that included the sole opponent on council as well as university professors and students. The arguments levelled against the project made much of the loss of urban heritage, the sweetheart deal offered by the city administration to the developer, and the secrecy of the planning process. Members of this movement convinced the Ontario Municipal Board—a provincial government agency mandated to adjudicate on planning disputes—to impose a referendum. The period leading to the referendum was rife with public meetings and debates, publicity in the media, and door-to-door distribution of leaflets.

The pro-Oxlea project camp was made up of the rest of council, municipal planners, local business people and their associations (in particular the Downtown Business Association and the Chamber of Commerce), local media, and the local labour federation.²⁵ The pro-project camp had access to many more financial and human resources (e.g., boy scouts

Local Power and Its Limits

for the door-to-door distribution of its literature) than its opponents, and grouped together much of the local elite, including well-known local personalities. In December 1971, 57.6% of those who voted in the referendum expressed support for the project.²⁶ We can only speculate on the reasons why over forty percent voted against the project. Concerns for heritage, the secrecy of the bargaining process with the development company, the perception of a preferential treatment being offered to Oxlea and distress over the size of required municipal expenditures were no doubt reasons for opposing the scheme. Changes of values within the community associated with the growth of the two universities located within the metropolitan region may also have been factors of opposition. In any event, the universities were ready suppliers of experts willing to challenge stands taken by municipal officials.

The Oxlea project went ahead, but anticipated spin-off effects on downtown renewal did not take place. When the time came to expropriate the dilapidated block east of the former city hall, the municipal administration realized that inflation had raised its cost to \$2.5 million—far more than the \$1 million available from the sale of city hall land. The Oxlea project had also failed to stimulate retail activity in surrounding sectors.²⁷ Clients attracted to the shopping mall tended not to patronize shops located elsewhere in the CBD. Nevertheless, several important private projects materialized from 1976 onward, including two large office buildings (one 150,000, the other 300,000 square feet), and a new \$30 million shopping centre—the King Centre—developed by Marathon Realty on King Street, at the opposite end of the CBD from the Oxlea development.

The urban renewal coalition lost much of its dynamism with the 1973 departure of Kitchener's first Planning Director. He

had helped formulate renewal concepts and demonstrated considerable political skill in building and maintaining the coalition. He was replaced by a younger planner who failed to show comparable enthusiasm for large urban renewal projects. This new director was committed instead to neighbourhood conservation and participatory planning.

During the 1970s neighbourhood associations began to surface in residential sectors that were experiencing both redevelopment and speculation. Favourable zoning and an influx of "empty nesters" and young singles with a taste for central area living enticed developers into building apartments and later condominiums in central neighbourhoods. Long-time residents were particularly perturbed by the shade and traffic caused by high-rise buildings and the deterioration of existing structures that resulted from land speculation. A critical step in the empowerment of neighbourhood associations took place in 1978 when a ward system replaced the at-large electoral process. The change was piloted by a mayor who, as an alderman, had close links with neighbourhood organizations and other types of citizens organizations. He had been the only opponent on council to the Oxlea project. The new electoral process made it easier to elect council members who were identified with neighbourhood interests.

1980s: Ongoing Renewal Attempts and Compromises

Between 1984 and 1986, two proposals were drafted for a downtown transit terminal to bring more workers and potential shoppers to the CBD. The first proposal, which had been the key feature of a 1981 consultant's report,²⁸ was to create a transit mall along the length of the CBD portion of King Street. This development was turned down after Council investigated a similar scheme in Ottawa, which had

proved to be unsuccessful. Also, merchants expressed concerns that they would lose car-using customers. The second proposal, redeveloping a King Street block with a private developer, was scuttled by excessive land purchase costs and a lack of private sector interest. The municipal administration finally settled on building a modest terminal one block south of King Street.

As were the two previous decades, the 1980s was a period of declining retail activity in the CBD. In 1988 a locally-owned King Street department store closed; in 1989 the King Centre, with much of its space vacant only nine years after its opening, was downgraded to bargain-mall status. To counter this decline, the Kitchener Downtown Improvement Area Board (set up in 1977 to represent all downtown businesses) asked in 1981 for a two-year freeze on retail development in the metropolitan region.²⁹ The city denied the request, but did show its support for the CBD by using provincial funding programs to provide new turn-of-the-century style street furniture.

In 1988, in the most expensive municipal revitalization effort yet, a new city hall was built on a King Street block in the western section of the CBD, in order to bolster this depressed sector's retail activity. The cost of the project (\$65 million) and its economic development purpose triggered opposition from the regional labour federation, individual citizens, and an important minority on council. Furthermore, tenants residing on the block to be expropriated for the project expressed concern about compensation and relocation in an extremely tight rental market. In the end, to comply with provincial regulations protecting existing rental stock, city council opted to open a line of credit at the Kitchener Housing Corporation, a municipal nonprofit housing agency, and to supplement provincial funding for a convert-to-rent program.

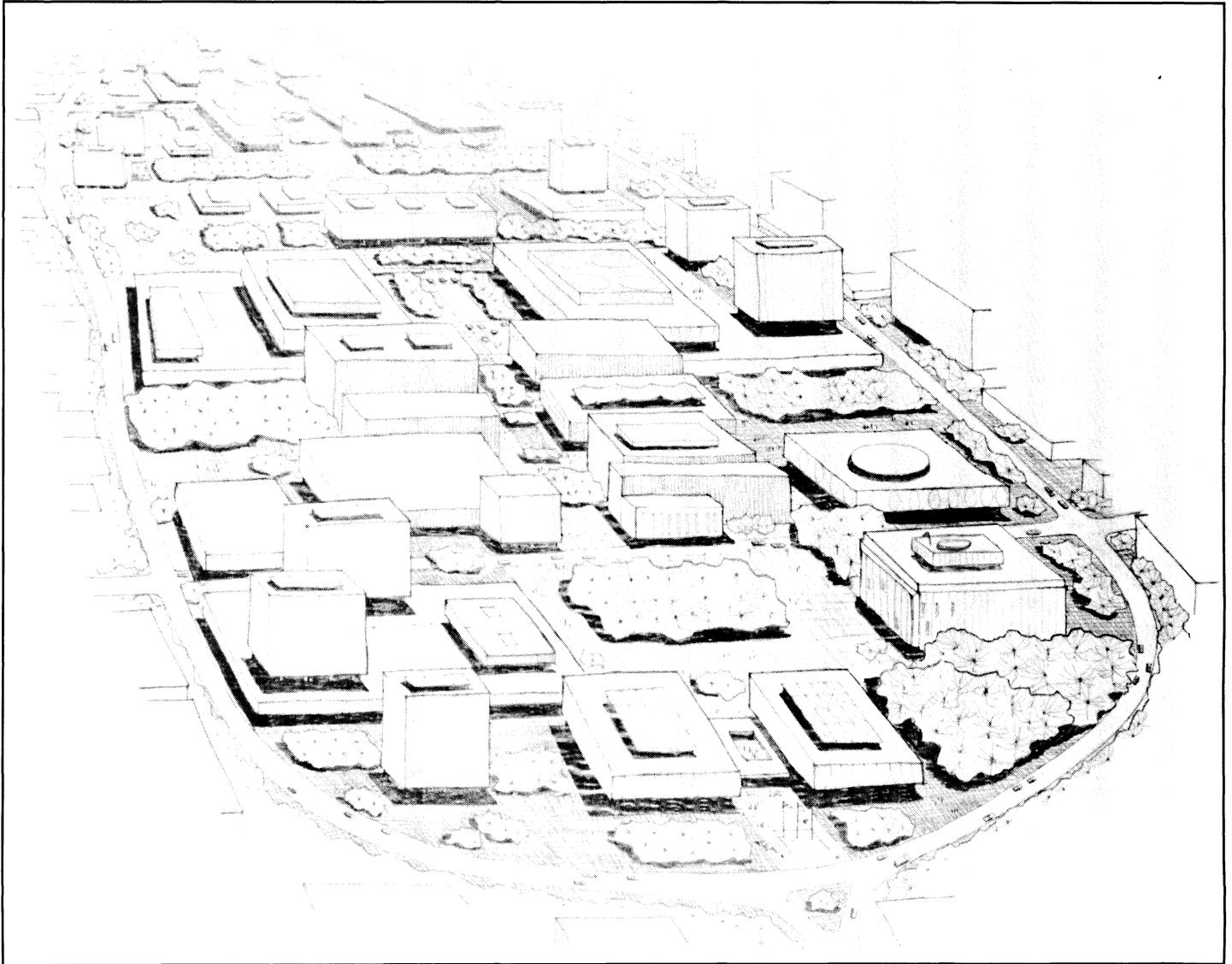


Figure 2: An artist's rendition of the possible appearance of a redeveloped Kitchener downtown. This sketch was included in the 1965 urban renewal plan entitled *The Plan...Downtown Kitchener*.

Significantly, none of that money was targeted directly at displaced tenants in the new city hall block.³⁰

During the decade, a secondary plan was devised to review planning regulations in each Kitchener neighbourhood and encourage resident participation. This plan raised the opposi-

tion of speculators and developers.³¹ Significantly, this process was devised by the new generation of municipal planners hired by the second Planning Director. These planners had been influenced by an ascending participatory ideology within the profession and by the emergence in Toronto in the late 1960s and early 1970s of a form of neighbourhood

planning that relied extensively on residents' participation.³² Kitchener planners were also responding to neighbourhood associations' demand for more control over local development. With the newly introduced ward system, these associations had achieved significant political clout.

Local Power and Its Limits

For residents, secondary plans became a means for safeguarding the low-density, low-rise character of central neighbourhoods. The first plan, prepared for the Civic Centre Neighbourhood north of the CBD and approved by Council in 1980, called for preservation of the residential character of the area and placed severe restrictions on redevelopment by limiting sectors where high densities were permitted.³³ But speculators and developers, who contemplated erecting high-rise buildings, lodged an appeal at the Ontario Municipal Board against zoning bylaw amendments derived from the plan's recommendations. They argued that they were unfairly penalized by the proposed down-zoning, since they had originally been attracted to central neighbourhoods by the previous pro-development policy.

The Board ruled that the municipality must plan in a way that addressed these objections.³⁴ In November 1983, after private consultation with developers and speculators, the municipal administration revised its plan. The amended plan protected some low density areas while allowing elevated densities in others—that is, those where developers and speculators owned land. This forced compromise defined the form of secondary plans prepared for the other central neighbourhoods, which were adopted over the remainder of the decade. Participation in core planning was also broadened in 1987 by adding a delegate from churches and nonprofit organizations to the Downtown Revitalization Committee. These organizations had sought a seat on the committee to represent the interests of CBD low-income residents.

Interpreting Kitchener Renewal Attempts

Though the CBD renewal coalition enjoyed nearly unanimous local support over the early part of the period, this

coalition had difficulty achieving its goals as evidenced by the drastic downscaling of the original CBD renewal plan and by CBD retail activity's continuing decline. We must thus identify the power base that allowed the coalition to keep the issue high on the municipal agenda throughout the study period, as well as the problems the coalition faced in its attempts to achieve a renewal of the CBD.

The Renewal Coalition's Power Base

Much of the CBD renewal coalition's influence on the local political scene came from its close ties to the city's major commercial interests. As a result, the coalition was well positioned to make a case for municipal government involvement in renewal initiatives. A recurring argument in favour of such efforts was that public funds were needed to induce private investment and that over time investments would more than compensate for the initial municipal outlay by swelling the property and commercial tax base. Business organizations enjoyed predominant power in Kitchener's pre-1978 at-large electoral system. These organizations, staunch supporters of CBD renewal, were among the few pressure groups whose size and resources made it possible to influence enough voters across the city to affect the outcome of municipal elections. The memory of the downtown merchants' opposition to a 1956 attempt to ban parking on King Street, which contributed to the defeat of half the Council members at the following election, loomed over local politicians for much of the following decade.³⁵

The coalition's vote gathering capacity was further enhanced by local media's favourable attitude toward renewal. Its support was particularly useful over the period leading to the referendum regarding the sale of the city hall site; which authorized the Oxlea development. The

coalition could therefore claim the ability to deliver two essential resources from a local government's point of view: increased fiscal revenues associated with economic development, and more immediately, electoral support.

The coalition's capacity to apply sustained pressure on the local government was also the result of the existence of an umbrella organization, the Urban Renewal Committee, that coordinated the initiatives of various groups and agencies, such as business organizations and the municipal administration, supporting renewal. Finally, the coalition enjoyed the ability to build organizational structures, draft proposals, argue cases convincingly, interact at a personal level with influential individuals outside the community, and use the prestige of its members to bolster its positions. For example, the first Planning Director was particularly skilled in conveying the need for renewal initiatives and suggesting required actions. During his directorship the Planning Department produced or commissioned background studies to support the case for wide-scale interventions as well as a detailed plan of the renewed CBD that helped to coalesce support for the initiative. Financial contribution for this planning exercise came from the Downtown Business Association. The local member of Parliament was asked to put personal pressure on the relevant minister when the federal government decided to freeze and later rescind its urban renewal support. Similarly, the President of the Urban Renewal Committee relied on his friendship with a developer to interest him in the redevelopment of the city hall site. Also, the coalition counted on assistance from members of the local political and economic elite during the highly controversial debate over the Oxlea development.

Impediments to Renewal Initiatives

Despite its local influence, the renewal coalition was compelled to down-scale

Local Power and Its Limits

its renewal initiatives from a comprehensive scheme to site-specific interventions and was unable to prevent the retail activity decline of the CBD. The coalition's limited success was due primarily to suburbanization and related shifts in political and economic power at the municipal level; the vulnerability of municipal administrations to senior governments' priority changes; tensions within the coalition itself; and the growing empowerment of local groups that were not sympathetic to the coalition's goals.

The greatest obstacle to CBD interests was the extensive suburbanization of the Kitchener metropolitan region after World War II. The city's primary retail sector shifted from the CBD to Fairview Park Mall which opened in 1965 and was later expanded to over 600,000 square feet of gross leasable area. This mall is located some five kilometres south of the core and is, unlike the CBD, within easy reach of an expressway. In 1961 CBD metropolitan region retail share stood at 59.7%. Despite the occasional implementation of measures to maintain or increase this retail activity, its market share fell to 26.3% in 1971 and 11.6% in 1990. Over the same nineteen-year period, Fairview Park Mall's share increased from 11% to 45.8%.³⁶

Over time, suburbanization also helped to diminish the coalition's capacity to influence local government interventions. This is because fiscal dependence of the municipalities represents an incentive for them to support and promote urban development in locations where it is not likely to occur. Therefore, the Kitchener administration directed much of its capital expenditure throughout the period toward the periphery, often at the expense of its own renewal initiatives in the core. After the 1973 annexation of large tracts of land by Kitchener, the Planning Department activities shifted toward preparation of community plans for these new sectors.³⁷ As well,

Council turned down a 1981 request from CBD merchants to freeze new retail development across the metropolitan region. The municipal decision can be attributed not only to the anticipation of a successful Ontario Municipal Board appeal by developers opposing such a freeze, but also to an interest in the fiscal and economic rewards associated with new retail developments. Throughout the period the municipal administration was in a contradictory position in that it supported both CBD renewal and the all-out suburban retail development that was the foremost underlying cause of CBD decline.

Suburbanization also diminished the impact of CBD-related demands on the municipal administration. This is partly due to the ongoing reduction in this sector's weight within the total municipal tax base. In the early 1960s pressure groups stressed the dire consequences that a decline in CBD assessment values would have on municipal finances. As the CBD's share of the total municipal assessment base fell appreciably, this argument lost much of its strength. Also organizations lobbying for CBD renewal increasingly had to contend with pressure groups defending the interests of other, newer parts of the city.

Another factor impeding CBD renewal was the municipalities' vulnerability to priority changes in senior government which stymied the deployment of a consistent renewal strategy in Kitchener. The case study suggests that this vulnerability was greater for medium- than for large-sized cities. In freezing and later abandoning its urban renewal program, the federal government was responding to protests in two large cities, Toronto and Vancouver. Meanwhile medium-sized cities had little influence on this sector of federal policy making. Local interests failed to pressure the federal government into reconsidering its deci-

sion to cut financial support for the Kitchener CBD renewal program. The best Kitchener could obtain was a mere \$1.2 million federal concession.

The coalition was also confronted with inner tensions stemming from disagreements over how to achieve CBD renewal. These tensions, which led to a lack of consistency in renewal measures, were largely the outcome of clashes between planners and merchants. These groups were pulled apart by stark differences in the constraints and rewards inherent in their respective work environment. Kitchener planners tended to play the role of handmaidens to dominant urban development and redevelopment models of the time. This is not surprising, since planners' professional status derives largely from having an up-to-date knowledge of these models,³⁸ as well as the ability to implement programmes that are consistent with them. Moreover, planners adopted a long-term perspective on CBD renewal by defining interventions as steps toward the actualization of a general concept. For example, in the mid- and late 1960s, planners branded King Street pedestrianisation experiments as early measures toward the implementation of the general CBD renewal concept as defined in the 1965 plan.

By contrast, merchants' interest in renewal was largely driven by the short-term impact on sales levels of different types of interventions. Their perspective became obvious in 1967 when they opposed pedestrianisation schemes because of the adverse business consequences associated with parking and traffic problems, and with the presence of "long-haired youth hanging around" on the street. A similar situation arose in 1984, when the municipal administration proposed closing King Street to private circulation and transforming it into a transit mall. Again merchants opposed

Local Power and Its Limits



Figure 3: A 1993 view of King Street at the heart of Kitchener's CBD. Notice the "old style" street furniture dating from the 1980s, the leasing sign on the building of a department store which closed in the late 1980s, and the new city hall under construction in the background.

the idea for fear of losing car-driving customers.

A final factor that prevented the coalition from reaching its goals was the political empowerment of residents, which loosened business organizations' hold on municipal power. This empowerment resulted from the setting up of neighbourhood associations, the adoption of a ward system that gave weight on Council to these associations' interests, and the opening of the planning pro-

cess to residents' participation. The effect was to limit redevelopment possibilities in central neighbourhoods, thus curtailing the anticipated synergy between high-density housing and office developments and the CBD retail function.

It is important to stress, however, that the trend toward residents' empowerment did not extend to all social categories. Neighbourhood organizations consisted mostly of homeowners, particularly educated homeowners predisposed toward

political action by knowledge of the process and confidence in their ability to exert political pressure.³⁹ In central neighbourhoods such as homeowners were often newcomers. Meanwhile the 700 residents of the CBD, who were nearly all tenants, remained unorganized and thus unable to influence municipal decisions.⁴⁰ It is noteworthy that CBD residents were those worst affected by municipal and private redevelopment initiatives. Throughout the period CBD residents were displaced, with little or no

Local Power and Its Limits

compensation, to make way for new developments or parking lots. Moreover, social measures targeted at low-income residents, which were formulated in a 1987 draft plan, failed to be approved by Council and were thus absent from the final version.⁴¹

Variations in financial capacity and political support accounted for the difficulties encountered in pursuing long-term strategies in a consistent fashion. The rapid succession of plans and interventions throughout the period can be accounted for by the combination of factors hindering CBD renewal possibilities with ongoing pressures for renewal efforts. These pressures originated from the CBD renewal coalition, which maintained throughout the period a significant even if declining level of influence. Over the period, the municipal administration would launch interventions in response to the coalition's pressures. Long-term interventions would run into difficulties and be interrupted. Subjected to further pressures, the municipal administration would then initiate other interventions of a short- or long-term nature. These interventions, particularly long-term ones, would again face problems and be halted, which would provoke further requests for municipal intervention.

Restrictions to Local Autonomy

We now return to the three categories of constraints identified at the opening of this article. Each contributed to erode the ability of the urban renewal coalition to proceed with its original objectives.

1. *Fiscal and Market Trend Dependence.* Over time, the need to show fiscal return on municipal investment served as an inducement to target the brunt of municipal resources toward suburban areas.

2. *Subordination to Senior Levels of Government.* Municipal objectives had to be revised in response to changes in federal funding, Ontario Municipal Board decisions, and provincially-prescribed modifications to the municipal planning process.
3. *Local Political and Organizational Dynamics.* By contributing to the dislocation of the urban renewal coalition and reducing the power of its members, local organizational and political circumstances undermined the possibility of carrying out Kitchener's urban renewal projects. There were clashes between professional and occupational categories within the coalition and a decline in the influence of some of its prominent members. This decline was a result of the economic marginalization of the core. Another local factor eroding the coalition's effectiveness was the institution of a ward system. This system contributed to an increase in neighbourhood associations' influence in municipal political life, at the expense of the traditional local elites who piloted the urban renewal coalition. Moreover, the departure of the first Planning Director deprived the urban renewal coalition of its foremost political strategist and source of ideas.

From 1973 on, Kitchener based its policies on a reduced availability of senior government resources, suburban-oriented development trends, and the heightened influence of neighbourhood groups. The arrival of new planning personnel committed to participatory planning hastened this adaptation. As the study period progressed, core interventions increasingly consisted of efforts to protect downtown neighbourhoods and of CBD improvements driven by provincial infrastructure and beautifica-

tion programs. However, the scope of these improvements remained modest due to limited provincial funding. Kitchener thus had to place limits on its downtown land development policies. This led to the abandonment of the initial objective of carrying out a thorough redevelopment of the core.

Conclusion

This article has explored the discrepancy between the presence of a powerful local coalition promoting CBD renewal, and its inability to either deploy a long-term strategy or prevent the decline of CBD retail activity through more modest measures. While some of the case study's observations are specific to the Kitchener CBD renewal case, others can be extended to the more general question of local power. The multi-polar nature of the Kitchener metropolitan region and its overall low density account for a level of CBD deterioration that was atypical in the Canadian context. Accordingly, difficulties in achieving core revitalization because of the magnitude of the suburbanization process were specific to Kitchener. Similarly, the sequence and timing of events and their consequence on renewal initiatives were also unique to Kitchener. It is such factors that were responsible for the city's inability to take advantage of the federal urban renewal program. The foremost example was the municipal administration's submission of revised renewal plans too soon before the announcement of the federal funding freeze.

On the more general matter of local power, there are several impediments to the ability of municipal administrations and local coalitions to pursue self-defined and long-term policies: i) fiscal dependence on, and therefore accommodation of, prevailing market trends; ii) subordination to higher levels of government; and iii) local political and organiza-

Local Power and Its Limits

tional dynamics. These three factors combined to hamper Kitchener's original urban renewal plans and contribute to their drastic down-scaling and reorientation. These same constraints can potentially affect all municipal projects that do not conform to a routine delivery of mandated services or a support of dominant market trends. Because it is difficult for localities to control these three categories of constraints, municipalities will often fail in the pursuit of such projects. Thus these constraints can be perceived as serious impediments to local autonomy.

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Local Power and Its Limits

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