

Downtowns that Work: Lessons from Toronto and Chicago

Pierre Filion
School of Planning
University of Waterloo

Igal Charney
Department of Geography and Environmental Studies
University of Haifa

Rachel Weber
Department of Urban Planning and Policy
University of Illinois at Chicago

Abstract

Among downtowns of North American metropolitan regions, two have performed especially well in terms of the presence of employment, residential development and diversity of land uses over the last decades: those of Toronto and Chicago. This paper concentrates on the factors responsible for their success. It reviews the history of the two downtowns since World-War-II, giving special attention to the capacity 'macro-decisions' have of creating path dependencies. Identified macro-decisions include strategic investments in downtown-focussed public transit and improvements to the diversity and amenities of the downtowns. There are important differences in the approaches taken in the two downtowns. These relate in part to organizational specificities. If in Toronto institutional structures and political coalitions play a major role in explaining the adoption of policies favourable to the downtown, in Chicago it is the priorities of powerful mayors that loom largest. The paper proposes a multi-causal model, which shows how numerous decisions of different nature, along with their interactions and consequences, have contributed to positive downtown outcomes in the two cities. The main lesson from the two cases is that downtown success cannot be improvised as it is the outcome of long chains of policies, which interact positively with market trends, favouring core areas.

Keywords: Toronto, Chicago, downtowns, history

Canadian Journal of Urban Research, Volume 24, Issue 2, pages 20-42.

Copyright © 2015 by the Institute of Urban Studies.

All rights of reproduction in any form reserved.

ISSN: 1188-3774

Résumé

Parmi les centres-villes des régions métropolitaines nord-américaines, ceux de Toronto et Chicago se sont distingués, au cours des dernières décennies, par le maintien d'un fort niveau d'emploi, ainsi que par leur capacité de stimuler leur croissance résidentielle et d'accroître la diversité de leurs activités. Cet article se penche sur les facteurs qui ont contribué au succès des deux centres-villes. Il décrit leur histoire depuis la seconde guerre mondiale, prêtant une attention particulière à la mise en place de tendances à long terme. Les macrodécisions qui ont lancé ces tendances comprennent la création de réseaux de transports collectifs desservant les deux centres-villes, ainsi qu'une amélioration de la qualité de leur milieu de vie et un enrichissement de la diversité de leurs activités. Il y a d'importantes distinctions dans les mesures responsables du succès des deux centres-villes. Alors qu'à Toronto les structures administratives et les coalitions politiques ont joué un rôle de premier plan, à Chicago ce sont deux puissants maires qui ont été responsables des principales stratégies de revitalisation. L'article met de l'avant un modèle multi-causal expliquant l'évolution des centres-villes, qui identifie les liens entre de multiples décisions ainsi que leurs conséquences. Les deux études de cas démontrent que le succès d'un centre-ville dépend non pas de stratégies isolées, mais plutôt d'une longue chaîne d'interventions s'arrimant aux tendances du marché et se déployant sur une longue durée.

Mots clés: Toronto, Chicago, centres-villes, histoire

Introduction

Two downtowns of large North American metropolitan regions, those of Toronto and Chicago, have fared exceptionally well in terms of their capacity to retain a large employment base, achieve multi-functionality and attract new residents. These downtowns have withstood the urban decentralization wave that has unfurled across the continent since World War II. The phrase 'A City That Works' has been associated with metropolitan governance in postwar Toronto as well as with Mayor Richard J. Daley's ability to get things done in postwar Chicago. We transpose this expression to the downtowns of these cities ('Downtowns that Work') to reflect their positive performance, in part a legacy of measures taken over the postwar period when the two cities 'worked'.

The paper builds a conceptual framework highlighting multiple and intersecting circumstances that promote downtown development. Narratives of the evolution of the two downtowns and planning approaches adopted to further their development are interpreted from this multi-causal perspective. Our longitudinal study responds to calls for a 'comparative (re)turn in urban studies' by highlighting similarities and differences in the histories of the two downtowns, and distills lessons relating to their success (Ward 2008: 405). The case studies stress the need for a confluence of several factors, notably past planning decisions, land-use and transportation patterns

at a metropolitan and downtown scale, favourable market circumstances and proactive planning, and thus point to the absence of a single policy wand capable of assuring the success of downtowns. The study has far-reaching planning implications, as the revitalization and expansion of downtowns along with the creation of sub-centres meant to operate as small-scale downtowns, which are at the heart of many central-city and metropolitan-wide policies.

Downtowns that Work

What are the conditions for ‘successful’ downtown development in North America? The ability of downtowns to attract and retain people and businesses and to nurture an appealing cityscape cannot be presumed despite a much-heralded ‘return to the city’ (Birch 2009). Well-functioning downtowns at a minimum host dense concentrations of a wide range of activities—offices, hospitality services, retailing, institutions, cultural facilities, recreational establishments and housing—which benefit from their functional complementarity and proximity to each other. Planning attempts to improve downtowns have taken multiple forms, such as major public investments (e.g. conference centres, concert halls, parks and sports stadia), clearance and heritage preservation (Ford 2003; Levine 1987; Robertson 1995). Results have been mixed, however. In an advanced state of depletion due to the impact of urban dispersion, many downtowns have failed to respond to planning stimuli.

The downtowns of Toronto and Chicago were selected because in the early 21st century they have maintained a high concentration of employment while becoming increasingly multi-functional. They also share sustained development over much of the 1945-2015 period despite regional sprawl. Are these same downtown outcomes the result of similar or different market trends and policies?

Our exercise will demonstrate the need for a number of favourable conditions, including past policy decisions, urban dynamics, market trends, and on-going public sector decision-making that, if aligned, can sustain downtown growth in the face of continuing suburban dispersal. We begin constructing our multi-causal model by examining the enduring influence of *macro-decisions* of a planning nature or otherwise. Macro-decisions have the capacity to steer other decisions in a lasting way and thus launch path dependencies. The range of possibilities available at any given time is in large part dictated by the legacy of such decisions. Their influence is extended over time through the creation and modification of institutions, laws, regulations and, with most relevance to this paper, urban form and dynamics, infrastructures and services (Pierson 2004). They open up and close down options for the future.

Macro-decisions create *urban dynamics* which, when validated by supportive demographic and economic tendencies, become entrenched over time. Mutually reinforcing land use and transportation interactions are resistant to modification or reversal, and can either encourage or stymie the evolution of downtowns. The predominance in North America of automobile-oriented transportation systems tends

to promote decentralization and, therefore, the erosion of downtowns (Squires 2002). In contrast, a foremost comparative advantage of some downtowns is the existence of a synergy grounded in frequently repeated pedestrian-based interactions benefiting different downtown activities (Robertson 1993; Thomson 1977). Such a synergy is the offshoot of prior decisions conducive to a downtown concentration of activities and assuring that the presence of cars did not threaten the pedestrian environment.

Different *market trends* affect the evolution of downtowns. There is first the economic performance and specialization of a metropolitan region, increasingly a function of its insertion within global economic networks. The better the performance of a metropolitan economy and the greater its specialization in sectors that generate core-area jobs and/or employ people attracted to downtown living, the stronger is the growth potential of its downtown area (Savitch and Kantor 2002). Market trends affecting downtowns are shaped by planning decisions such as those determining urban accessibility patterns. The economic vitality of a downtown is a function of accessibility (Lang, Sanchez and Oner 2009). Equally important are supply-side mechanisms (investment in downtown real estate and activities) that both accommodate and stimulate the economic activity of downtowns.

Public sector decision-making is the final set of circumstances we discuss. Numerous variables shape public policies targeted at downtown areas and thereby affect their capacity of achieving development goals. The institutional architecture (itself a legacy of past macro-decisions), defines the role and power of different political and administrative actors (Peters 2005). As expected, the electoral process and public sector reliance on resources generated by the private economy, along with resulting sensitivity to political or economic pressures from developers, major employers and community groups, influence the nature of downtown interventions. The fiscal dependence of municipal governments has been instrumental in forging regime-type coalitions, dominated by economically powerful actors (Stone 1989). Some of the downtown-oriented public policies moulded by institutional architecture can achieve the status of macro-decisions, which tie back to the first stage of the model.

The objective of understanding the development of downtowns involves consideration of different factors present at different times with different intensities. Macro-decisions spawn urban dynamics, which in turn influence market trends within metropolitan regions. Planning strategies that value centralization must take these sets of conditions into consideration; the greater the departure from the momentum put in place by macro-decisions, urban dynamics and markets, the larger are the planning efforts and resources required and the more uncertain are outcomes. The above discussion leads us to expect that the success of downtowns will be influenced not by one but by a multitude of historical, economic, urban and political factors, and that these factors will tend to align to generate block effects.

The paper departs from main trends within the literature on the evolution and revitalization of downtowns. Most research on North American downtowns can be

divided in two categories. There are first histories of downtown areas chronicling their emergence, decline and redevelopment. Attention in these narratives concentrates on the circumstances that have brought about these junctures in the evolution of downtowns (e.g. Abbott 1993; Cohen 2007; Fogelson 2001; Ford 2003). The focus in the second category of studies is on revitalization options. This literature focuses on the role in revitalizing downtowns of housing, cultural activities, historic preservation, transit access, walkability and the diversification of activities (Birch 2009; Danielsen and Lang 2010; Gratz and Mintz 1998; Leinberger 2005; Levy 2013; Ryberg-Webster and Kinahan 2014; Strom 2010). It also investigates the impact of planning processes on downtown outcomes (e.g. Mitchell 2001). Literature belonging to the second category typically relies on case studies to demonstrate the effectiveness of the revitalization methods they advocate.

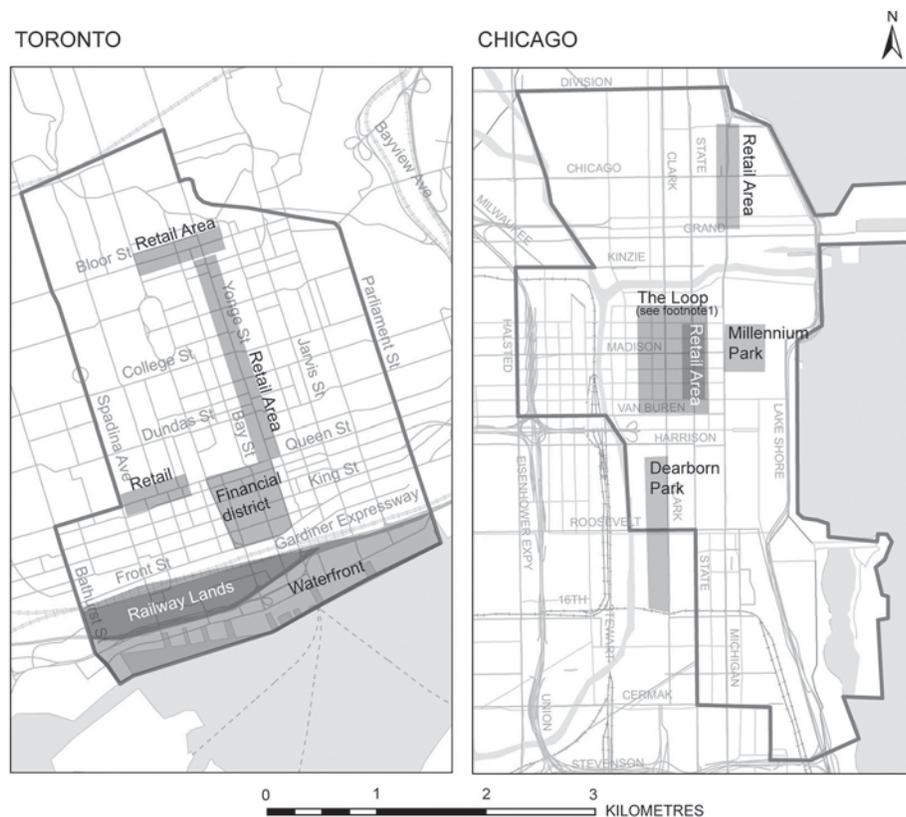
In this paper we attempt to blend the two approaches. The seventy-year history of the downtowns under consideration will make it possible to take a wide view of conditions for downtown development. The historical narratives will allow us to expose connections between macro-decisions, urban dynamics, market trends and public sector decision-making. Our historical perspective will, we believe, offer a perspective on factors of revitalization that reaches beyond those typically put forth in second category downtown studies. We look at contributions of different social processes to the long-term evolution of the two case studies and draw lessons from these findings for downtown revitalization.

Case Studies and Method

The case studies consist of historical narratives assembled from planning documents, secondary sources, media coverage and population, employment and floor space statistics. Wherever possible we present comparative data. Comparability is, however, not always possible with statistics originating from two cities, countries and sets of government agencies. Different time series and geographical definitions of downtown areas have proven to be especially challenging.

The method used to delineate downtown Toronto and Chicago conforms to a broad definition of downtowns suited to our focus on multi-functionality. We first identified all contiguous areas where downtown-type activities (offices, retailing, culture, public institutions, high-density housing) are concentrated in built environments exceeding metropolitan density norms. We then included medium-density residential areas within easy walking reach (500 metres) of these clusters of activities. Boundaries emanating from this formula were adjusted to account for census tract borders. Our approach has yielded two downtown areas of comparable size: 12.8 and 11.5 kms² respectively for Toronto and Chicago (see Figure 1). Because of the inclusion of their residential fringe, the size of our downtown areas tends to exceed most planning department delineations.

Figure 1: Downtown Toronto and Downtown Chicago



Defying Dispersion: 1945-1980

Toronto

Although Toronto conformed to the pre-1950 North American centralized city model, its downtown area was relatively modest until the mid-1960s. As an urban area experiencing rapid growth in the postwar years, Toronto could have easily evolved into a weak-centred, dispersed metropolitan region, following the trajectory of most expanding metros across the continent. For a while, development tendencies pointed in this direction: very little office or retail construction took place downtown from the early 1930s to the early 1960s (Gad and Holdsworth 1984). Meanwhile, in the 1950s other locations attracted development traditionally destined for the core—most glaringly, major head offices.

Public sector decisions taken over this period contributed to the long-term maintenance of centralization in Toronto despite ongoing suburbanization. First, only two expressways serve the downtown area. Original expressway plans were ambitious, but the Provincial Government’s 1971 decision to reject the most grandiose proposal,

the Spadina Expressway, in the face of widespread public protest ended expressway construction in the core, inner city and older suburbs (Nowlan and Nowlan 1970; Sewell 1993).

It was rapid transit policies that most distinguished Toronto from the North American urban transportation norms of the 1950s and 1960s. The decision was taken in 1946 to dig a subway under Toronto's main commercial street. It is noteworthy that this project was adopted in a climate of general apathy towards public transit across the continent as cities were attempting to better accommodate the automobile. Thereafter, Metro Toronto, a regional government with planning jurisdiction over the cities that were amalgamated into the new City of Toronto in 1998, assured an ongoing extension of the subway system. In addition, commuter train services, all of which downtown oriented, were upgraded from the time the provincial government assumed their operation in 1967.

Starting in 1965, a confluence of events unfolded to foster wide-scale downtown redevelopment. The first, the inauguration of a futuristic City Hall, was seen as a symbol of the entry of downtown Toronto in the modern age. Meanwhile, as Toronto consolidated its position as the centre of Canada's expanding financial sector, demand mushroomed for downtown office space in a location that combined prestige with accessibility to the diversity of skills available within the metropolitan labour pool (Bourne, Britton and Leslie 2011). It was also a time when major development companies became involved in the construction and management of large downtown office and retail complexes. Following in the steps of the Toronto Dominion Bank, which opened new downtown headquarters in 1967, all major Canadian banks built downtown offices complexes over the next two decades. A large retail complex was the 1977 Eaton Centre, a 230-outlet galleria-type mall. Other office and retail developments followed in the wake of these first-generation projects, including an underground network of shopping galleries interconnecting virtually all major downtown buildings.

The rapid accretion of downtown office space raised concerns that the associated rise in commuting would soon exceed the capacity of existing and anticipated transportation infrastructures. Planners were also preoccupied with the tendency for new developments to accentuate the nine-to-five administrative nature of the downtown, thus hampering the desired creation of a round-the-clock mixed-use district. Two plans, the 1977 City of Toronto *Central Area Plan* and the 1981 Metro Toronto *Official Plan*, called for changes in the trajectory of downtown development (Metro Toronto 1981; Toronto 1977). Ensuing zoning changes included FAR (floor area ratio) increments for new developments with a housing component.

It was, however, in neighbourhoods abutting downtown that residential redevelopment was most intense from the late 1950s to the early 1970s. Housing construction in these areas was the outcome of two processes. One was urban renewal involving the construction of public housing projects. Residential redevelopment was

also market driven, taking the form of high-rise apartment buildings scattered in low-rise residential neighbourhoods. An extreme case of residential redevelopment was St. James Town (just inside our broad definition of the downtown), a 1960s tower in the park project, housing approximately 20,000 residents in 19 public and private high-rise buildings. The transformation of neighbourhoods close to the downtown by public and private high-rise residential structures angered citizen organizations. Protest against lax zoning led to the election of city councillors sympathetic to neighbourhood concerns, who eventually adopted plans and regulations that banned the construction of apartment towers in predominantly low-rise neighbourhoods (Caulfield 1974). With the restriction of housing construction in surrounding neighbourhoods, downtown Toronto began to attract the attention of residential developers. After losing residents steadily through the 1960s, downtown population decline levelled off in the 1970s (see Table 1).

Chicago

The context for postwar downtown development in Chicago was one of dramatic deconcentration. White, middle-income households moved to the suburbs and were replaced by working-class African Americans. Assessments dropped, investment in centrally located residential neighbourhoods declined, and the City adopted a strategy of clearance that furthered population decline through the 1970s (see Table 1). Manufacturing, retail and office uses dispersed to suburban commercial nodes. Secondary employment sub-centres sprouted in the downtowns of older inner ring suburbs and then moved to freeway junctions, competing with the downtown (Pivo 1990).

Nonetheless, Chicago's Loop¹ remained the 'command and control center for corporate and governmental institutions' (Bennett 2010: 40). After almost two decades of little to no building, a downtown commercial boom was kicked off when the Prudential Building—Chicago's tallest office building to date—was completed in 1955. While many attribute it to pent-up postwar demand, the boom of the 1960s was also the result of long-running Mayor Richard J. Daley's ability to make the downtown more attractive to investors (Pacyga 2009). The first articulation of the 'city as regional center' that he envisioned is contained in the *1958 Development Plan for the Central Area of Chicago*, which also reflects the vision of committed corporate and civic leaders (Rast 2011; Squires et al. 1987).

Mayor Daley was able to implement many of the ideas in the Plan (e.g., McCormick Place, the University of Illinois at Chicago campus, federal buildings and plazas, numerous transportation projects) as he was a master at using federal funds for local development. He parlayed funds appropriated through Title I of the *Housing Act* of 1949 into several public sector-led urban renewal projects to stem middle-class suburbanization and white flight, and he formed the Department of City Planning and the Public Building Commission to assist him in these efforts. He used money

Table 1: Population Change by Downtown, City and Region

	Downtown	% Change	City of Toronto ¹	% Change	Toronto Metropolitan Area	Census Metropolitan Area	% Change
Toronto							
1951	108,823		1,117,472		1,176,622		
1961	85,725	-21.2	1,618,787	44.9	1,733,108		47.3
1971	71,365	-16.8	2,086,015	28.9	2,628,250		51.7
1981	71,178	-0.3	2,137,395	11.7	2,998,945		14.1
1991	96,632	35.8	2,385,421	11.6	3,893,046		29.8
2001	117,824	21.9	2,481,494	4	4,682,897		20.3
2006	132,427	12.4	2,503,281	0.9	5,113,149		9.2
2011	163,194	23.2	2,615,060	4.5	5,583,064		9.2
	Downtown	% Change	City of Chicago	% Change	Chicago Statistical Area	Metropolitan Area	% Change
Chicago							
1950	57,358		3,620,962		5,761,484		
1960	45,749	-20.2	3,550,404	-1.9	7,017,024		21.7
1970	38,382	-16.1	3,366,957	-5.2	7,886,829		12.4
1980	40,546	6	3,005,061	-10.7	8,052,932		2.1
1990	52,082	28.4	2,783,726	-7.4	8,182,076		1.6
2000	69,763	33.9	2,896,016	4.0	9,098,316		11.2
2010	109,501	56.9	2,695,598	-6.9	9,461,105		4.0

¹ Population within the post-1998 City of Toronto boundaries. This territory was from 1954 to 1997 under the jurisdiction of Metro Toronto a regional government; a second tier administration.

Sources: Statistics Canada, Census data; Minnesota Population Center National Historical Geographic Information System; Version 2.0, 2011; and U.S. Census 2010.

made available by the Urban Mass Transportation Act of 1964 to fund the expansion of public transit in the city, building new stations into the grid of the highway system (e.g. the Red Line) (Farmer 2011). The construction of major expressways such as the Congress (now Eisenhower) and Dan Ryan razed residential buildings on the fringes of the Loop but left the commercial core intact. The Plan also created a framework for public-private cooperation around downtown redevelopment between the business elite and a mayoral administration that had both strong ties to Washington and a political machine for implementation (Royko 1971). Specifically, private investment in the CBD was 'contingent upon government action in the form of land assembly, transportation improvements, new public buildings, use of urban renewal powers, and other activities specified in the Plan' (Rast 2011: 597).

Although the 1958 Plan was almost entirely focused on office and institutional uses, it did mention the goal of 'housing for all income levels' that could support a sizeable residential population in the Loop and adjoining areas. Two large, Le Corbusier-inspired housing projects were developed close to the Loop in the 1950s and 1960s. This period also witnessed an initial wave of private residential construction in the CBD north of the river, starting with upper-middle class projects like Marina City (1962) and Lake Point Tower (1968). These developments were also part of a trend in housing tenure toward apartment ownership that began in the 1960s but was more fully realized in the mid-1970s as existing rental buildings converted to condos.

The City, however, did not press forward with its goal of downtown housing throughout the 1960s. The silence on this front made the appearance of the *Chicago 21 Plan: A Plan for the Central Area Communities* in 1973 all the more explosive. The main proposition of the Plan was to create 'New Town', an entirely new residential neighbourhood of 120,000 people on the unused railway yards just south of the Loop (Cohen and Taylor 2001). The Plan's release coincided with the decline of Mayor Richard J. Daley's urban development machine and a concomitant wave of civil rights activism (Bennett 2010). Coming off several decades of slum clearance and 'Negro Removal', African-American and Latino leaders led low-income constituents in opposition to the Plan. The goal of extending the Loop southwards was interpreted as a mandate to displace low-income and minority residents and the small businesses serving their needs. It did not take long before activists saw some of their fears realized. Planning for Dearborn Park I, the city's first large-scale, low-rise downtown residential project in the CBD, began in 1974 (Wille 1998). Downtown residential uses were slow to follow the success of Dearborn Park and the early North Side towers. Yet few noticed their absence as the downtown experienced yet another round of office construction during the commercial real estate boom of the 1980s.

Diversification: 1980-2015

Toronto

Downtown Toronto witnessed little office construction from the early 1990s to the

late 2000s. Several factors explain this hiatus. There was first the lingering effect of the early 1990s recession, the worst in Toronto since the Great Depression. It took a long time to return to normal occupancy rates after vacancy peaked during the recession. Reliance on bricks-and-mortar offices was also reduced as more work was done at home or on the road (Scott and Williams 2005). Finally, downtown Toronto was impacted by a growing preference for low-density, automobile-oriented suburban office configurations due to their easy accessibility to proximate labour pools, cheaper building costs and lower suburban commercial tax rates (CUI 2013). Together, these trends were responsible for downtown employment stagnation from 1991 to 2006 (see Table 2).

Table 2: Downtown Employment, 1991-2008¹

Year	Toronto	Chicago
1991	393,600	457,640
1992	373,600	437,085
1993	368,200	428,801
1994	357,600	430,779
1995	358,900	434,395
1996	359,300	441,829
1997	369,900	449,666
1998	383,200	461,536
1999	404,400	470,135
2000	411,100	477,001
2001	397,900	476,940
2002	388,900	454,472
2003	380,200	435,277
2004	385,900	433,430
2005	388,700	435,166
2006	396,800	446,681
2007	415,200	453,924
2008	424,900	467,914

¹The availability of comparable data between the two downtowns accounts the focus of the table on these 17 years.

Sources: Metro Toronto (various dates) *Metro Facts*. Toronto: Metro Toronto; Illinois Department of Employment Security *Where Workers Work* (2010)

Downtown residential development took an entirely different trajectory. From the early 1980s considerable housing growth occurred in the downtown, leading to the ongoing high-rise condominium boom which unfurled from the early 2000s. Several

circumstances converged to fuel downtown condominium growth over this period. There was first a favourable economic climate throughout the 2000s accompanied by low interest rates. Moreover, high property values in the Toronto metropolitan region encouraged the construction and sale of high-rise condominium units. Notwithstanding the higher floor space cost of such units relative to other housing forms, it was possible for single-family-home owners to trade their house for a condo unit and be left with a substantial share of the proceeds from the sale. Small condos are also seen by young adults as an opportunity to gain a foothold in the housing market. In 2006, average household sizes in downtown Toronto were 1.6 persons compared to 2.8 for the broader Census Metropolitan Area, more were made up of young adults and half of all downtown residents held a university certificate or degree, while 34 percent of all regional residents did (Statistics Canada, 2006). The downtown Toronto condominium boom is also fuelled by domestic and international investors (Wintrob 2011).

The active Toronto real estate scene is tied to the ongoing growth of the metropolitan region, whose population, fuelled by immigration, has increased annually by approximately 100,000. Other features of the metropolitan region also have a direct bearing on the downtown condo boom. As traffic congestion worsens and public transportation investment fails to keep pace with the expansion of the region, commuting becomes increasingly arduous. According to a recent comparative study of a sample of nineteen large metropolitan regions including Los Angeles, Chicago, New York and London, Toronto posted the longest average commuting time (Toronto Board of Trade 2010: 42-43). There is thus a major incentive for people working downtown to live close to their employment. Animated streets and ample downtown shopping, recreational and cultural opportunities, represent other major draws, especially for young adults.

The City has adopted a flexible planning approach to stimulate reinvestment in underutilized edges of the downtown (Bounce 2004; Darchen 2013). An accommodating planning regime has also enabled the high-rise condo boom. The 'railway lands', former marshalling yards between the financial district and the waterfront, had been the object of redevelopment proposals since the late 1960s (MTPB 1970). Early concepts involving primarily office buildings were frustrated by the absence of a market sufficient to absorb the vast amount of floor space that could be supplied in such an extensive area. Market considerations along with Planning Department resistance to the height of the buildings under consideration delayed development. But from the early 2000s, Pacific Concord, a Hong Kong-based company, proceeded with the construction of 17 condo towers and a number of mid-rise structures. The remainder of the railway lands was the object of condo tower development by other companies.

Abetted by permissive zoning, high-rise condos were also erected in the rest of the downtown. Two matters raised in the 2004 City of Toronto Official Plan added weight to developers' arguments for zoning amendments permitting higher condo

towers, which make these structures more profitable and, therefore, numerous. The first was a strong stand in favour of downtown residential intensification in order to achieve 'accessibility through proximity.' The second consisted in enhanced concern for design quality in proposed buildings (Toronto 2009: 2.7 and 3.9). Developers were then able to argue that the distinctive architecture of their proposed structure justified exceeding height limits (Boudreau, Keil and Young 2009). At present, the City is considering further relaxing height restrictions along downtown arterials (Urban Strategies et al. 2010).

Since 2009 four new office towers (with 26, 30, 43 and 51 storeys) have been erected in downtown Toronto and three more are under construction, thus ending the 20-year office construction hiatus. The renewed downtown office construction activity can be seen as tied to rising numbers of young professionals, actively sought by corporations, living nearby (CUI 2011). Just as offices decamped to the suburbs to be close to their labour pool, some corporate tenants now opt for a downtown location for the same reason (Perkins 2012). Finally, new metropolitan-scale path dependencies favourable to downtown development may be taking form following the 2006 adoption of the provincial Growth Plan (Filion 2012; Ontario 2006). Provincial policies stemming from this plan indeed limit outward urban development, partly through the creation of a green belt, and promote urban intensification by directing growth towards existing built areas and especially new and existing multi-functional centres, including downtown Toronto.

Chicago

During the 1980s Chicago moved from a regional hub for local-serving companies to a global financial and logistics centre. But many of these FIRE sector firms opted for the suburbs, which provided the Loop with dogged competition for office tenants. The Sears Tower, for example, sat half empty during the 1980s (and in 1995 even its namesake tenant relocated to the suburbs). As in Toronto, the office market crashed at the end of the decade and sustained high vacancies throughout the early 1990s. Moreover, the Loop office towers were poorly connected to other uses, bringing few positive spillovers to the immediate downtown. The CBD's retail centre of gravity and hotels moved further north and at a greater distance from the office core. Meanwhile, the southern end of the Loop declined; the State Street Mall, a modernist pedestrian and transit corridor that opened in 1979, failed to stem the haemorrhage of retailers. The region's middle class considered the Loop dangerous and worthy of only the briefest visit (Miller, 1996).

When Mayor Richard M. Daley was elected in 1989, he inherited a Loop whose future as the commercial epicentre of the region was in question. He initiated his tenure with pronouncements about the need to make the downtown a 24-7 destination. His administration's greatest planning contributions to the downtown were to encourage a diversity of land uses, including a substantial residential base downtown, and to develop amenities to attract tourists and new residents. He accomplished these goals

by following the model of public-private planning initiated under his father's regime, one that accommodated developers with development rights, zoning changes and property tax subsidies for land assembly. During his term Tax Increment Financing (TIF) became a popular redevelopment instrument in depressed zones, especially in and around the Loop (Weber 2010).

The City's deft negotiation of air rights over railway tracks and yards and the fact that the historic core was ringed with aging infrastructure (and not residential uses) meant that it could build outwards and implement its grand visions for the downtown without inciting opposition. In some cases, it kept newly developable land as open space to provide an amenity to downtown residents and visitors. For example, the City opened Millennium Park in 2004 over an underground parking structure itself situated on top of railway tracks (Gilfoyle 2006). This massive public-private undertaking drew visitors in, helped connect the Loop to the attractions on the Lake (e.g. the museum 'campus') and raised nearby property values as well as the profile of downtown living (Goodman Williams and URS 2005). New residential construction sprouted up along the northern and southern borders of the Park.

Unlike Toronto, Chicago experienced a sizeable office construction boom during the 2000s. When the dust settled in 2008, the city had added another twelve percent of new leasable space. The Loop was able to retain the almost half a million jobs that existed at the beginning of the boom (see Table 2). Despite tepid job growth, Chicago remained one of few regional office markets in the United States that was still core-dominated. In 2005 the Loop amounted to 49.3 percent of the Chicago regional market, the largest downtown share in the United States after New York City (Lang, Sanchez and Oner 2006).

Chicago sustained an office core despite the fact that residential development outpaced downtown office construction. Almost 75 percent of the new built space added to the Central Area was residential, found in condos, apartment buildings and hotels. During the 2000s, developers added (or converted from rental) approximately 35,000 new units downtown (US Bureau of the Census, 2010). Downtown Chicago experienced the largest numeric and percentage population increase among US metropolitan areas (US Bureau of the Census 2012; see Table 1). As in Toronto, the new residents tended to work downtown and be younger, more affluent and educated than the population of the metropolitan region (Lachman and Brett 2011).

At a metropolitan scale, population both recentralized in the core and decentralized to sprawling, rapidly growing exurbs, bypassing many older, inner-ring communities. As in Toronto, such movement led to traffic congestion and longer drive times; between 1982 and 2005, the hours of congestion-related delays per traveler in the Chicago area increased annually from 15 hours to 46 hours (Texas A&M Transportation Institute 2007). The second worst commute times in the country and high gasoline price provided good reasons for area residents to live downtown.

Historically the downtown has enjoyed superior transit access relative to the

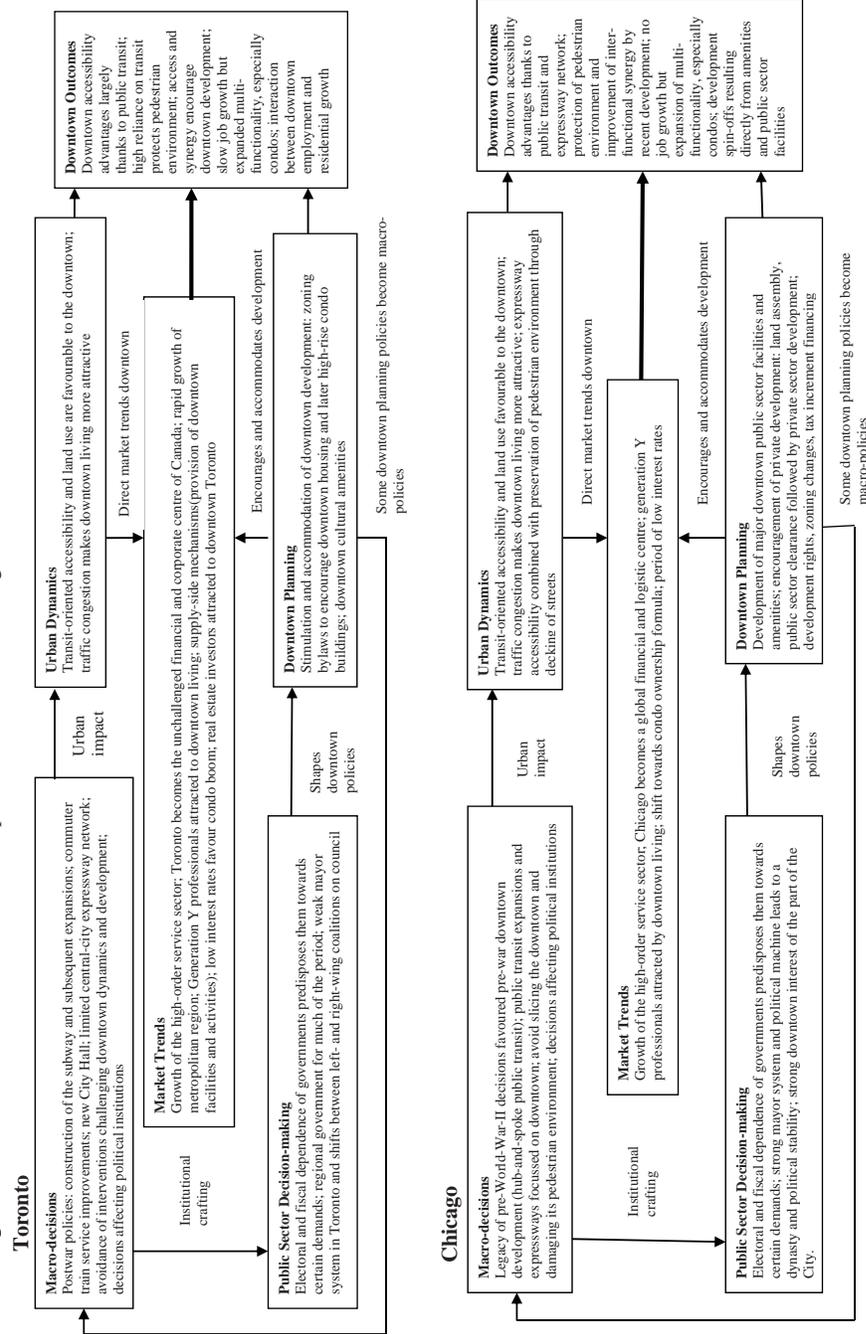
suburbs with the legacy hub-and-spoke systems focused on moving people toward the core. But this system, the second largest in the United States, found itself at capacity at a time when federal operating support was cut and local financing (regional sales and city real estate transfer taxes) decreased (Farmer 2011). The downtown has become more walkable and transit accessible, but mode choice still favours the automobile. Moreover several of the new transit planning initiatives, such as express train access from the downtown to the city's two airports, are 'geared to the logistical and exchange demands of foreign direct investors, tourist spaces or socioeconomically affluent groups' (Graham and Marvin 2001: 100)—particularly new downtown residents (Farmer 2011). Funding for such public investments has dried up in the wake of the Great Recession triggered in 2008.

A Tale of Two Downtowns: Conditions for Success

We now discuss how conditions for downtown development introduced in the multi-causal model account for the evolution of the two downtowns (see Figure 2 for a summary). At the outset of the postwar period, downtown Chicago was more advantaged than downtown Toronto. Downtown Chicago enjoyed an imposing concentration of commercial and residential land use along with a core-focussed rapid transit system. Set in a much smaller metropolitan region before the war (the metropolitan Toronto population was only 856,000 in 1931 while Chicago had then reached 4.4 million), downtown Toronto had not achieved such a critical mass, which partly explains its hesitant trajectory over the 1950s and 1960s as decentralization pressures mounted (Dominion Bureau of Statistics 1931; US Bureau of the Census 1932). Also, downtown Toronto could not count on as large a transit-oriented catchment area as Chicago did. But these downtown Toronto disadvantages were compensated by judicious macro-decisions—in particular the building of a subway, the extension of commuter rail services and the New City Hall—which provided conditions for accelerated downtown development from the mid-1960s onwards. In both cities, macro-decisions favoured downtown development throughout the study period: public transit expansions, policies encouraging multi-functionality and the creation of amenities like Chicago's Millennium Park.

The two downtowns were also spared interventions that proved to be deleterious to the evolution of other downtowns. In neither case was the downtown bisected by expressways, large parking lots or mass clearance (without imminent redevelopment). In both, highways were routed around the exterior of the core and public transit investment prevented the two downtowns from having to devote most of their space to vehicles. Chicago, however, does provide considerably more downtown automobile access than Toronto (34 expressway lanes crossing a cordon traced two kilometres beyond downtown boundaries versus 12 in Toronto). But the impact of the car on the downtown is mitigated by the decking of some roads and the provision of parking at its edges and below ground. The upshot is an environment that is generally favourable

Figure 2: Factors Involved in Downtown Development in Toronto and Chicago



to pedestrian-based synergies, even if, as noted, the main downtown Chicago office and retail concentrations are separated from each other (a situation that improved with the last construction boom). The preservation of the downtown fabric has encouraged dynamics supportive of development.

Planning interest in the two downtowns was sustained throughout the study period by rewards for city administrations stemming from downtown development. In both cities the downtown indeed represented the foremost economic development asset, a major source of tax revenue and a key component of metropolitan- and city-wide planning strategies promoting intensification and reduced reliance on the car. Fortunately, planning interventions for the most part heeded conditions required to secure downtown development.

Turning to market trends, as second-tier global cities Toronto and Chicago attracted corporate headquarters and ancillary services, along with health, education, cultural and recreational establishments. Many of these activities were lured downtown by their ability to draw from a metropolitan-wide labour pool, their functional synergies and the prestige of this location. Both cities have avoided extreme housing and office prices registered in first-tier centres, such as New York City, making it possible to target a wider market of potential downtown residents and investors. Continued demand for floor space and interest in the construction, acquisition and renovation of income-generating properties created positively reinforcing dynamics within these districts. Older low-rise and street-oriented structures maintained their value and thus escaped being turned into parking lots as in less prosperous downtowns. Such a built environment provides the connective tissue that encourages pedestrian movement and, therefore, inter-activity synergies, and thus attracts even more development.

Moreover, young professionals employed downtown often exhibit a propensity for downtown living. They are particularly appreciative of the diverse cultural and recreational environment of large and active downtowns (Florida 2004). Their taste for downtowns may have been acquired during their university student years. There are sixteen college campuses in downtown Chicago and three in downtown Toronto, including the University of Toronto St. George Campus with 56,900 students. Households living downtown in both Chicago and Toronto are smaller, more educated and wealthier than city averages (in Toronto they are also younger, while in Chicago slightly older) (US Bureau of the Census 2010). Chronic traffic congestion and public transit overcrowding also enhance the appeal of living close to work and downtown amenities.

Market trends also unfolded as they did because of supply-side factors, such as development formulas capable of accommodating new residents and business tenants. In both downtowns large development companies erected office and retail complexes, and easy access to consumer credit fuelled condominium development. However, construction cycles in the two cities were not fully synchronized. The 1950s and the 2000-2008 period witnessed downtown office growth in Chicago not Toronto, and

since 2008 downtown Toronto has experienced both a condominium construction boom and active office development, fuelled partly by positive interactions between downtown housing and jobs, while construction stalled in downtown Chicago, beset by the 2008 US financial and property meltdown.

The narratives are also in agreement over the relation between public policy and the market. In both cities policy interventions mostly accommodated prevailing market trends. Attempts at modifying such trends were confined to the provision of incentives (mainly amenities, subsidies and accessibility advantages) to nudge them in favour of downtown locations. Policies targeted at both downtowns attracted office development when office employment exploded as consumer and producer services took a growing place within the economy. They also provided the infrastructural and regulatory foundation for the recent waves of condo construction, fuelled by low interest rates, foreign investors and the appeal of downtown living for different social groups, above all, Generation Y professionals (Birch 2005; 2009). In contrast, attempts at modifying prevailing market tendencies were either weak, unsuccessful or absent. For example, in neither downtown was the objective of housing diverse income groups attained. Condo developers narrowly targeted profitable markets, and little was done to correct the skewed social makeup that ensued (Winsa 2010).

Meanwhile, the institutional architecture of municipal governments accounts for important distinctions in decision-making processes, which are echoed in the categories of actors emphasized in these narratives. The Chicago story focuses largely on the Daley dynasty whereas the Toronto case highlights organizational actors. Such a perspective is consistent with Toronto's weak mayor system and, over several decades, the influence of Metro Toronto on regional planning and development. Powerful individuals certainly left a deep mark on Toronto development (most notably, Fred Gardiner, the 1953-1961 Metro Toronto Chair), but their impact on the trajectory of the downtown pales in comparison to that which Daley father and son had on the Loop. It was to be expected that in a city like Chicago, with its strong mayor system and well-oiled political machine, substantial power would be vested in elected leaders. These leaders did not go at it alone but worked with influential downtown non-governmental organizations such as the Chicago Central Area Committee and the Chicago Loop Alliance. Common downtown development objectives between the business community and the Daley administrations, the existence of formal and durable communication channels as well as the success of joint projects involving the public and private spheres point to the existence of downtown regimes in Chicago (Stone 1989). The situation is not so clear in Toronto although signs of collusion between the public sector and developers abound in the redevelopment of the waterfront (the southern portion of the downtown). The less personified nature of the Toronto political life and its oscillation between right- and left-leaning administrations since the late 1960s provide less evidence of enduring regimes.

Conclusion: Lessons from the Two Downtowns

The paper has attempted to paint a big picture of conditions affecting downtown development. It has shown how such development is influenced by historical circumstances and different facets of society. Such is the case of: macro-decisions, as those that have favoured public transit development, which set contexts for other sources of influence on downtowns; urban dynamics, as downtown synergistic effects; market trends, including globalization, the rise of the financial sector and the popularity of condos; and finally, public-sector decision-making, which has accommodated and stimulated downtown growth.

By combining a historical approach with the identification of conditions favouring downtown development, the paper breaks with the tendency for the literature to separate these two perspectives on downtowns. The historical orientation of the paper made it possible to identify long-term and broad-scale downtown development conditions involving different scales of society. Our comparative study thus demonstrates that downtown development cannot be improvised as it is driven by multiple factors, many of which are the legacy of past macro-decisions. We have also found that by dint of their interconnection, these factors tend to function as a block. All the factors we discussed were aligned to promote the growth of the two downtowns, but it is easy to envision how under different circumstances, as in fully dispersed metropolitan regions, they could have just as effectively stymied downtown development. The study thus casts doubt on the efficacy of downtown development strategies that run counter to the grain of market trends and transportation-land use dynamics fostered by past macro-decisions. It is not that the paper disagrees with the downtown revitalization instruments commonly advanced in the literature, but rather that it takes the view that these instruments should be considered within their broad societal context. The Toronto and Chicago cases do, however, cast doubt on 'silver bullet' solutions to downtown revitalization put forth by some of the literature on downtowns.

Notes

¹The Central Business District, called the 'Central Area' by city planners, extends roughly from Lake Michigan on the east to the Chicago River on the west, from Chicago Avenue to Roosevelt Road on the south. The formal 'Loop' is a smaller sub-area of the CBD, namely that which is surrounded on all sides by the elevated train tracks downtown route. However, through common parlance, the Loop has come to refer to the city's entire CBD and, with the exception of when we present statistical data, we also use this broad meaning.

References

- Abbott, C. 1993. Five downtown strategies: policy discourse and downtown planning since 1945. *Journal of Policy History* 5: 5-27.
- Bennett, L. 2010. *The third city: Chicago and American urbanism*. Chicago, IL: University of Chicago Press.
- Birch, E.L. 2005. *Who lives downtown?* Washington DC: The Brookings Institution.
- Birch, E.L. 2009. Downtown in the 'new American city'. *The Annals of the American Academy of Political and Social Science* 626: 134-153.
- Boudreau, J-A., Keil, R., and Young, D. 2009. *Changing Toronto: governing urban neo-liberalism*. Toronto: University of Toronto Press.
- Bounce, S. 2004. The emergence of 'smart growth' intensification in Toronto: environment and economy in the new official plan. *Local Environment: The International Journal of Justice and Sustainability* 9: 177-191.
- Bourne, L.S., J.N.H. Britton, and D. Leslie. 2011. The Greater Toronto Region: the challenges of economic restructuring, social diversity, and globalization, in: L.S. Bourne, T. Hutton, R. G. Shearmur and J. Simmons (Eds) *Canadian urban regions: trajectories of growth and change*, pp. 236-268. Toronto: Oxford University Press.
- CUI (Canadian Urban Institute). 2011. *The new geography of office location and the consequences of business as usual in the GTA*. Toronto: CUI.
- CUI (Canadian Urban Institute). 2013. *Strategic regional research: a region in transition*. Toronto: CUI.
- Caulfield, J. 1974. *The tiny perfect mayor: David Crombie and Toronto's reform aldermen*. Toronto: Lorimer.
- Cohen, L. 2007. Buying into downtown renewal: the centrality of retail to postwar urban renewal in American cities. *The Annals of the American Academy of Political and Social Science* 611: 82-95.
- Cohen, A., and E. Taylor. 2001. *American pharaoh: Mayor Richard J. Daley - his battle for Chicago and the nation*. New York: Little Brown.
- Danielsen, K.A., and R.E. Lang. 2010. Live work play: new perspective on the downtown rebound. *The Planning Review* 46 (180): 91-105.
- Darchen, S. 2013. The creative city and the redevelopment of the Toronto Entertainment District: A BIA-led regeneration process. *International Planning Studies* 18: 188-203.
- Dominion Bureau of Statistics. 1931. *Census of Canada, 1931: population by areas*. Ottawa: Dominion Bureau of Statistics.
- Farmer, S. 2011. Uneven public transportation development in neoliberalizing Chicago, USA. *Environment and Planning A* 43: 1154-1172.
- Filion, P. 2012. Evolving suburban morphology: dispersion or recentralization? *Urban Morphology* 16: 101-119.
- Florida, R.L. 2004. *The rise of the creative class: and how it's transforming work, leisure, community and everyday*. New York: Basic Books.
- Fogelson, R.M. 2001. *Downtown: its rise and fall, 1880-1950*. New Haven, CT: Yale

- University Press.
- Ford, L. 2003. *America's new downtowns: revitalization of reinvention?* Baltimore, MD: Johns Hopkins University Press.
- Gad, G., and D.W Holdsworth. 1984. Building for city, region and nation: office development in Toronto 1834-1984, in: V.L. Russell (Ed.) *Forging a consensus: historical essays on Toronto*, pp. 272-319. Toronto: University of Toronto Press.
- Gratz, R.B., and N. Mintz. 1998. *Cities back from the edge: new life for downtown*. New York: John Wiley and Sons.
- Gilfoyle, T.J. 2006. *Millennium Park: creating a Chicago landmark*. Chicago, IL: University of Chicago Press.
- Goodman Williams and URS. 2005. *Millennium Park economic impact study*. Chicago, IL: City of Chicago.
- Graham, S., and S. Marvin. 2001. *Splintering urbanism: networked infrastructures, technological mobilities and the urban conditions*. New York: Routledge.
- Lachman, M., and D. Brett. 2011. *Generation Y: America's new housing wave*. Washington, DC: Urban Land Institute.
- Lang, R., T. Sanchez, and A. Oner. 2009. Beyond edge city: office geography in the new metropolis. *Urban Geography* 30: 726-755.
- Leinberger, C.B. 2005. *Turning around downtown: twelve steps to revitalization*. Washington, DC: The Brookings Institution (Metropolitan Policy Program).
- Levine, M. 1987. Downtown redevelopment as an urban growth strategy: a critical appraisal of the Baltimore renaissance. *Journal of Urban Affairs* 9: 103-123.
- Levy, P. 2013. Diversifying downtown from the ground up. *Economic Development Journal* 12 (2): 7-12.
- Metro Toronto. 1981. *Official plan for the urban structure*. Toronto: Metro Toronto.
- Miller, R. 1996. *Here's the deal: the buying and selling of a great American city*. New York: Knopf.
- Mitchell, J. 2001. Business improvement districts and the 'new' revitalization of downtown. *Economic Development Quarterly* 15: 115-123.
- MTPB (Metropolitan Toronto Planning Board). 1970. *Metro Centre: a review of the proposed development on the Canadian National and Canadian Pacific Railway lands in downtown Toronto*. Toronto: Metropolitan Toronto Planning Board.
- Nowlan, D.M., and N. Nowlan. 1970. *The bad trip: the untold story of the Spadina Expressway*. Toronto: House of Anansi.
- Ontario (Government of, Ministry of Infrastructure). *Growth plan for the Greater Golden Horseshoe, 2006*. Toronto: Queen's Printer for Ontario.
- Pacyga, D. 2009. *Chicago: a biography*. Chicago, IL: University of Chicago Press.
- Perkins, T. 2012. Why corporations are flocking back to downtown Toronto? *The Globe and Mail*, 10 November.
- Peters, B.G. 2005. *Institutional theory in political science: the new institutionalism (2nd Edition)*. London: Continuum.

- Pierson, P. 2004. *Politics in time: history, institutions, and social analysis*. Princeton, NJ: Princeton University Press.
- Pivo, G. 1990. The net of mixed beads: suburban office development in six metropolitan regions. *Journal of the American Planning Association* 56: 457–469.
- Rast, J. 2011. Creating a unified business elite: the origins of the Chicago Central Area Committee. *Journal of Urban History* 37: 583–605.
- Robertson, K. 1995. Downtown redevelopment strategies in the United States: an end-of-the-century assessment. *Journal of the American Planning Association* 61: 429–437.
- Robertson, K. 1993. Pedestrians and the American downtown. *Town Planning Review* 64: 273–286.
- Royko, M. 1971. *Boss: Richard J. Daley of Chicago*. New York: Dutton.
- Ryberg-Webster, S., and K.L. Kinahan. 2014. Historic preservation and urban revitalization in the twenty-first century. *Journal of Planning Literature* 29: 119–139.
- Savitch, H., and P. Kantor. 2002. *Cities in international marketplace: the political economy of urban development in North America and Western Europe*. Princeton, NJ: Princeton University Press.
- Scott, M.H., and E. Williams. 2005. Telework adoption and energy use in building and transport sectors in the United States and Japan. *Journal of Infrastructure Systems* 11: 21–30.
- Sewell, J. 1993. *The shape of the city: Toronto struggles with modern planning*. Toronto: University of Toronto Press.
- Squires, G.D. (Ed.). 2002. *Urban sprawl: causes, consequences and policy responses*. Washington, DC: The Urban Institute Press.
- Squires, G., L. Bennett, K. McCourt, and P. Nyden. 1987. *Chicago: race, class, and the response to urban decline*. Philadelphia, PA: Temple University Press.
- Statistics Canada. 2006. 2006 Census. Ottawa: Statistics Canada.
- Stone, C.N. 1989. *Regime politics: governing Atlanta, 1946–1988*. Lawrence, KS: University Press of Kansas.
- Strom, E. 2010. *Culture, art, and downtown development*. New York: Longman.
- Texas A&M Transportation Institute. 2007. Annual urban mobility report (<http://www.pagnet.org/documents/HumanServices/MobilityReport2007Wappx.pdf>; accessed 15 June 2014).
- Thomson, J.M. 1977. *Great cities and their traffic*. London: Gollancz.
- Toronto (City of, Planning Board). 1977. *Central area plan*. Toronto: City of Toronto.
- Toronto (City of). 2009. *Toronto official plan (office consolidation, October 2009)*. Toronto: City of Toronto.
- Toronto Board of Trade. 2010. *Toronto as a global city: scoreboard on prosperity – 2010*. Toronto: Toronto Board of Trade.
- Urban Strategies Inc. and Hariri Pontarini Architects. 2010. *Tall buildings: inviting*

- change in downtown Toronto*. Toronto: City of Toronto.
- US Bureau of the Census. 1932. *Fifteenth census of the United States, 1930: metropolitan districts, population and areas*. Washington, DC: US Government Printing Office.
- US Bureau of the Census. 2010. *2010 Census*. Washington, DC: US Department of Commerce.
- US Bureau of the Census. 2012. *Patterns of metropolitan and micropolitan population change: 2000 to 2010*. Washington, DC: US Department of Commerce.
- Ward, K. 2008. Editorial—toward a comparative (re)turn in urban studies? Some reflections. *Urban Geography* 29: 405–410.
- Weber, R. 2010. Selling city futures: the financialization of urban redevelopment policy. *Economic Geography* 86: 251-274.
- Wille, L. 1998. *At home in the Loop: how clout and community built Chicago's Dearborn Park*. Carbondale, IL: Southern Illinois University Press.
- Winsa, P. 2010. Room in the sky: 'inclusionary zoning' could make families with children less scarce in Toronto's high rise condos. *Toronto Star*, 14 June, GT2.
- Wintrob, S. 2011. City of mass construction: Toronto's unstoppable condos show no signs of slowing down. *National Post*, 25 January, PH6.