

Building the Creative City:  
new industry formation  
in Liberty Village, Toronto

by

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A THESIS SUBMITTED IN PARTIAL FULFILMENT  
OF THE REQUIREMENTS FOR A DEGREE OF

MASTER OF ARTS

in

THE FACULTY OF GRADUATE STUDIES  
(Planning)

University of British Columbia

December 2005

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# ABSTRACT

The "Creative City" has been heralded as a unilaterally positive development in industrial restructuring for North American cities. However, there are clear gaps in our knowledge of the effects that these changes bring to inner city structure, and to the city policies and state regulatory regimes which address related economic, social and environmental issues.

This thesis examines aspects of planning for Liberty Village, a new industry site in inner city Toronto, as an example urban cultural regeneration and cultural industry formation. I investigate changes that have occurred in Liberty Village over the last 5 years, during a key period of development as a hub for new media employment in Toronto. Major land use and cultural policy documents are analysed for motivations for shifts in planning strategies. These documents are supplemented by data from Statistics Canada and the City of Toronto Employment Survey, as well as information from six interviews with Liberty Village planners and organizations.

After an initial period of 'spontaneous' arts-led regeneration, City planners enabled cultural industry formation in Liberty Village through flexible zoning, public-private partnerships, and policies promoting city-wide new media functions. The successes of the site included significant employment generation, renewed interest in site development and investment, and the promotion of Toronto as a successful Creative City.

However, the site's development did not respond to the needs of surrounding residents. Parkdale's longstanding issues are unemployment, poverty and housing vulnerability. While Liberty Village offers professional employment in skilled creative industries, employed Parkdale residents are more likely than average to work in industrial or retail occupations. Further, developments in and around Liberty Village typically target incoming residents and new media employees, including owner-oriented housing, office space, and other amenities.

Recommendations that follow from this case study include the need for future site-planning projects to include strategies for local economic development, long-term planning and equity in planning partnerships. I provide an argument for cultural site planning models which transcend traditional growth management and regulation, and which extend beyond lifestyle values of the "convivial" (Ley 1996) or "Creative" (Florida 2002) city, with particular emphasis on land use, holistic planning and consideration for local economic development and social housing.

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# ACKNOWLEDGEMENTS

I am grateful to have had the freedom and opportunity to explore themes of creativity, industrial restructuring and city-building. The process was a pleasant one after all, thanks in no small part to a number of people whose kindnesses are greatly appreciated.

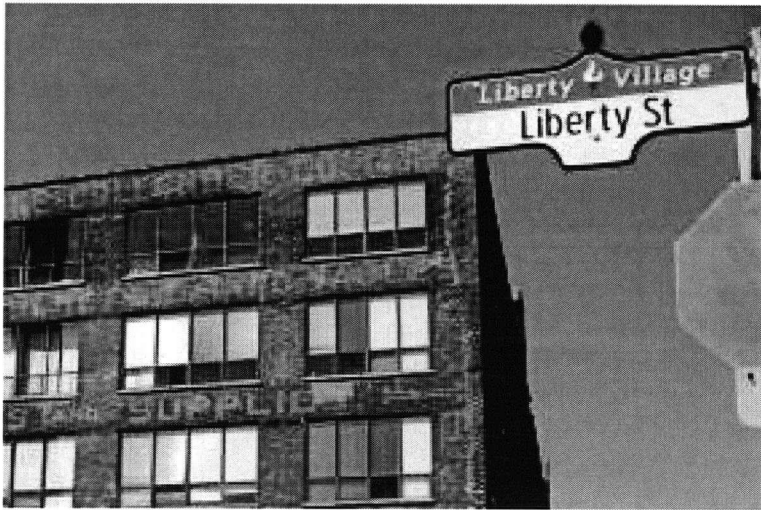
Thanks to Dr. Thomas Hutton, my primary advisor. His knowledge, dedication and support have guided this thesis from start to finish, while keen sense of humour (and tolerance for my overuse of semi-colons) helped make this working relationship both productive and enjoyable. Thanks as well to Dr. Elvin Wyly for his well-timed encouragement throughout the early drafts.

The City of Toronto Economic Development provided valuable employment statistics for my research, and graciously waived the fees for this service.

All uncredited photos that appear in this document are the work of Rebecca and Anthony Hii, who shot lovely pictures of the site, when my own photos sadly failed me.

My friends and colleagues also deserve special mention. In particular, Cynthia Tan provided her patient and insightful perspective on numerous occasions, offering editing skills, moral support, and a rigorous non-planning perspective. Angela Hold and Karen Houlihan have given me the run of their house, fridge and remote control, and the occasional use of the computer. Angela's point-blank questions have also kept me on track more times than I can count. Thanks as well to Angela, Cindy, Christophe, Dalia, Janet and Herman, who took the time to read and comment on the penultimate draft.

Finally, I would like to thank Anthony, Winnie, Rebecca and Vanessa Hii, whose generous love and support enabled me to write every word that appears in this document.



# CHAPTER 1: THE CREATIVE CITY

## 1.1 Introduction

Cities are commonly branded (as 'world-class,' 'sustainable,' or 'a city that never sleeps'), and made to compete on a global scale for the mobile workers and industries that are expected to bring economic vitality to a city-region. One subset of workers pursued today belong to the industries predicated on technology and knowledge. The kinds of interests that these 'cultural industry' or Creative Class employees have are more strongly rooted in the realm of art, music, bohemia, and 'buzz' than in any traditional measure of economic success. To this end, culture and creativity have begun to take centre stage in many new urban strategies.

The concept of the Creative City as a strategy for urban development was popularized by Richard Florida in *The Rise of the Creative Class and How It's Transforming Work, Leisure, Community and Everyday Life* (2002). Florida developed a series of indices to measure American cities (and, since the publication of his book, many Canadian ones as well) in terms of such elements as diversity and tolerance (the 'Bohemian Index'), knowledge and education (the "Creative Class' Index). These elements are linked to economic achievement, which many have taken up as a loose outline of a model for the successful modern North American city.

Local planning departments in Europe and North America have responded enthusiastically: organizing conferences to discuss and celebrate the importance of “creativity” to urban and urban-economic health; making ideological and financial commitments towards building an image of the vibrant, 24-hour “Creative City”; encouraging or leading the development of specialized cultural quarters and districts; zoning previously residential or industrial lands for live-work studios; calling for more flexible by-laws and regulations and a ‘hands-off’ role for municipalities in planning (Brown et al 2000; Indergaard 2003).

Florida’s observations were well-timed, and managed to touch upon a number of overlapping threads in contemporary urban studies discussions. For one, the context for city planning has undergone significant changes in the last 25 years. As their importance in national and global economies became increasingly recognized, urban centres also began to see unprecedented growth in powers and responsibilities. Meanwhile, studies indicated that many Canadian cities were in the midst of infrastructure decline, due to insufficient investment and maintenance. These changes ignited a national policy debate in the early part of this decade, with municipalities calling for a “New Deal for Cities and Communities” (Canadian Policy Research Network, 2004). These changes also placed ever-greater pressure on cities to examine their local planning priorities in order to ensure their own economic independence. As well, as these responsibilities get taken up by private and third-sector organizations, we find city governments and planning departments eager to carve out new roles for themselves, to remain pro-active and relevant. The Creative City concept builds on earlier city planning strategies which focus on cities as the central drivers of a knowledge-based economy. Both earlier and current planning strategies recognize cultural attractions and a vibrant urban setting as familiar characteristics of successful urban centres that can help to attract knowledge industries and their workers.

Florida’s thesis also shifts the scope of evaluation for successful cities, identifying unlikely steps that have resulted in a strong economy in some cities. His broad definition for the ‘Creative Class’ includes workers in science, research, education and training, arts, culture and technology. He further

suggests that all workers, and the greater economy in turn, can benefit productively from having a more diverse and creative environment from which to live and work. In doing so, Florida taps into observations also made by others, which recognize increased value that has been placed on culture and creativity in the lives of citizens.

Academic work on cultural production is also broad, referring to both the industries that produce products for consumption of artistic, leisure or entertainment purposes (such as video game production, fashion, graphic design), as well as the associated means by which these goods are produced, such as advanced and new media technology, 'creative' workers, and flexible and diverse production forms.

The Creative City concept, and its subsequent popularity among municipalities as a both a goal and a business strategy for planning, arose during a time often written as a crisis in industrialism and modernism. In some cities, actual declines in manufacturing employment and productivity have been magnified by the visible flight of manufacturing from the inner city to the suburbs, leaving abandoned factories on patches of underused land at the fringes of expanding downtown cores.

It is these 'fringe' areas that have been the focus of many inner-city regeneration projects in recent years, particularly those efforts that revolve around the development of new industrial formations. The observable impacts that cultural industries have made, for example, in national and municipal economies (for example, Coffey 1994; Hutton 2004; Sassen 2000; Scott 2000; Strom 2002) have held out hope for planning agents, and have influenced the ways in which cities are planned, built and managed.

The Creative City, and even cultural industries, are vaguely defined at best. Florida's work has come under scrutiny by academics and mainstream magazine writers alike. Importantly, it is a concept that has stirred the imagination and determination of governments, planning departments, businesses and citizens who are each taking on roles in building their urban centres. Strategically, there needs to be a more critical perspective for city-building, one which recognizes the broader social

consequences of these particular responses to industrial restructuring.

Land use considerations and urban-economic and cultural policies have long been a concern for planners, who draw on common evaluative techniques such as consideration for a balance between jobs and housing in a given geographical region, and planning tools such as land use regulations and zoning by-laws. However, evidence of new phases of development within the economy has brought about new factors, actors, influences and concerns for policy-making.

The past 25 years have been characterized by many as a new industrial era. The naming of these characteristics as a “break” has posed something of a controversy between planners and academics with differing ideologies, however. The elements said to compose this “new” era result in real changes for the planning field, evident in both markedly different planning strategies, and a city form distinct from previous years. Post-industrialism, post-Fordism, globalization and postmodernism comprise four major theories on how and why these shifts have occurred. Post-industrial theorists understand the sharpest changes to be in the economy and labour structures, and consequently in the impacts of these changes on social class, due to a major shift from a manufacturing base and the production of tangible goods to those services for which information, knowledge and technology are major commodities (Bell 1973; Sassen 2000). Emphasis is placed on advanced technologies and the centrality of science-based knowledge. Deindustrialization in the United States left a geographic Rust Belt trail of formerly prosperous industrial cities in the midwest and the Great Lakes, as well in southern and south-eastern cities such as Miami, Houston and Atlanta. There was also a concomitant rise in economic growth of the west coast Sun Belt cities, predicated on an emphasis on high-tech and new media. In Canada, this theory is bolstered by census data supporting the notion of a “sustained growth of quaternary jobs” (Ley 1996:15).

The period following the 1973 oil crisis was accompanied by deep economic recession, deindustrialization, and a change in typical forms of productive activity, characterized by some as post-Fordism. Fordist manufacturing was exemplified by economic development and production growth based

on capital accumulation, technical division of labour, standardization of output, equilibrium between mass production and consumption (Coffey 1994). This type of manufacturing required large-scale factories, large tracts of industrial land, a blue-collar labour force of skilled and unskilled factory jobs, and a mass consumer market. In contrast, Post-Fordist theories look to oversaturation of mass-consumer product markets as a driving force for changes in the Fordist model of mass production, including an emphasis on flexible accumulation, diversified consumer goods, a knowledge-based division of labour.

Early globalization theories posited a 'borderless' world brought together by advanced technologies, particularly in information and communication; later theories identified "world city" (Hall 1966; Friedmann and Wolff 1982) and "global city" (Sassen 1998) formations, which saw a reorganization of power devolved from nation-states to major cities worldwide. Cities, it has been suggested, take on the roles of economic powerhouses, command and control centres, and the all-important nodes in a global network system (Castells 1996). It is between these nodes that the important flows of capital, information and international labour occur in the greatest capacity; vying for position in these city-systems also becomes important, as cities are tiered according to their rank of size and economic influence within the global system.

Theories of a 'postmodern' city look to evidence of increasing diversity in demographics, form and functions of the city as challenges to traditionally well-defined geographical and planning models of formal zoning and organization of land use; this new form has been posited by some as a 'chaotic' urbanism (Soja 2000, Dear and Flusty 1998), though an internal organization to this 'patchwork' city is becoming clear. But even this relatively recent conception of the city differs from the form we are beginning to see now.

The "post-" terminology of contemporary academic theories is controversial, appearing to signify clear breaks in urban development leading up to the present time; however, it is hardly the case that one set of industrial, economic and spatial forms is being tidily replaced by another. While

debates over continuity (or discontinuity) between Fordist-industrial phases and their latest incarnations continue, specific changes in production form, function, inputs and outputs have been identified, signaling definitive shifts in economic bases of Western industrialized nations.

While the advanced service sector remains strong, cultural production has emerged as an increasingly important stream in global and local economic activity in the inner city (see for example Coffey 1994; Evans 2001; Florida 2002; Sassen 2000; Scott 2000). Cultural production refers to the production of goods that meet a growing demand for the consumption of entertainment, art, culture and leisure, by diverse and fickle niche markets (Scott 2000). As well, the means of production place ever-greater value on new media and other forms of advanced technology, as well as on creativity and innovation in the labour force (Pratt 2000; Zukin and Dimaggio 1990).

In this most recent phase of the new industrial formation, we can see something of an orderly pastiche of old and new industrial formations, rather than the wholesale replacement of one industrial regime by another. The post-Fordist emphasis on flexible specialization of products also coincides with what Norcliffe and Rendace (2003) identify as 'neo-artisanal' forms of production, harkening back to pre-Fordist small-scale workshops. Cultural goods are thus seen to meet the needs of changing consumer demands, while cultural production brings with it more flexible and diverse characteristics of production form, a specific historical context, and a distinct new division of labour (for differing accounts of this division, see Ley 1996; and Florida 2002).

For many cities, changes in production and the restructuring of the labour market has meant the large-scale loss of jobs in traditional industrial and resource-dependent sectors (O'Loughlin & Friedrichs 1996). Sassen (2000) discusses consequences of the reorganization of labour and capital in the change from manufacturing to the more specialized service industries: namely, a net loss of middle-class manufacturing jobs, both skilled and unskilled, and the expansion of both skilled knowledge- and technology-based jobs in the advanced service sector, as well as low-wage, unskilled service jobs. Along with these structural changes came a decline of unionization, contractual instability, and



an increase in part-time work (Sassen 1997, 2000). These factors, including the development of a dual-labour market system of skilled and unskilled workers, continue to characterize the formation of cultural industries. What Florida (2002) terms the “Creative Class” roughly corresponds to Sassen’s high-level service workers, or sections of the “new” middle class described by Ley (1996).

There are differing accounts regarding the future of urban development, centred around arguments of how these shifts are occurring: through regeneration, dislocation, or “splintering” (Graeme and Marvin, 2001) of the city? The crux of each of these accounts is that “the post-industrial city...is also the site of acute inequality” (Ley 1996). Chief among these concerns, and a typical critique of urban economic policies, is the indication that in their enthusiasm to realize the perceived potential for the growth and development of cultural industries, planning policies fail in large and small ways to adequately anticipate the fallout of economic change, and to incorporate broader and marginalized social interests such as poverty, affordable housing, and economic prospects for the working class.

## 1.2 Planning for the Creative City?

In general, planning policy should promote balanced development, while anticipating and mitigating potential problems. There is an equity component in Canadian contexts as well: without overstating the case, there remains a crucial role for policy to play in guarding broader social interests against the alluring forms of cultural and economic capital, in critiquing “boosterism” of economic growth among the New Economy industries and the creative class, and in exhibiting greater sensitivity towards social issues and inequities.

That said, cities and their planning departments are under a great deal of pressure to respond to the economic changes (sometimes viewed as ‘crises’) that are taking place at global and local levels. Economic restructuring over the last 30 years has left a legacy of inner city brownfields. These once thriving areas of employment and industry have gradually fallen into disuse as industrial functions find their way to the suburbs, or close outright; revitalization of sites like these (to improve func-

tionality, renew economic and employment activity, and accelerate investment and other development interest in the site) has been a priority for many previously-industrial inner cities.

As Ley (2003) notes, it has become commonplace for decision-makers to view 'creativity' as an independent variable in the promotion of economic health and development, though the simple assumption of one-way causality in that relationship may be spurious. Further, efforts to plan for a Creative City have been seen as inherently innovative, radical or 'socially conscious' due to the association of these creative spaces with what Florida terms the 'bohemian index'. Florida suggests that a creativity-rich urban centre can be bolstered by placing a higher value on arts and culture in general, and by welcoming marginalized groups such as 'starving artists', and 'racially', ethnically, sexually, and income-diverse populations. While support for these groups and related issues is often paired with a socially-conscious agenda, the Creative City thesis ignores the more negative trends, also associated with the "success stories" of Florida's top creative cities: gentrification, net job loss, and policies focused on the interests of a shrinking but increasingly wealthy professional class.

Recent trends in planning, as exemplified by the decisions to develop creative clusters in innercity brownfield

## OBJECTIVES:

- to identify current policy models in planning for cultural industries
- to analyze the cultural industry policy model demonstrated by the development of Liberty Village
- to provide a set of recommendations for issues and elements to consider in developing urban policy
- to make policy recommendations for an integrated planning response to advances in cultural industries.

sites, exhibit a privileged position of economic development, with too little consideration for strategic planning and social welfare of an entire subset of workers. This heralds a call for the integration of cultural, economic and social interests in future planning strategies for Canadian cities.

In this thesis, I examine the planning responses that have been made to changes in industrial, economic, spatial and social attributes of a new industry site within a 'world-class' Canadian city. Liberty Village, a former industrial site in the west-central region of downtown Toronto, Ontario provides the basis for the case study.

This thesis examines examples of policy shifts in an inner-city Canadian planning context, to elucidate both stated and de facto priorities in land use decisions and resulting locations and dislocations for jobs and housing in this latest phase of post-industrial restructuring. The fallout effects that accompany these most recent spatial and economic shifts are viewed through changing priorities in land use, including spatial and policy shifts in housing and labour.

This thesis contributes to a larger body of urban research, policy and practice, culminating in a discussion of considerations for future policy development, with an eye towards equity issues. These issues, particularly as they relate to the 'spillover' effects that result in neighbourhoods surrounding these regeneration sites are an underdeveloped feature of local cultural cluster planning. The framework for this thesis reflects contemporary currents in academic, planning and policy literature regarding planning for cultural industries.

### **1.3 Problem statement:**

While the "Creative City" has been heralded as a unilaterally positive development in industrial restructuring for North American cities, there are clear gaps in our knowledge of the effects – both positive and negative – that these changes bring to inner city structure, and to the city policies and state regulatory regimes which address related economic, industrial, social and environmental issues.

By tracing the evolving space-economy and residential history of inner city sites of cultural pro-

duction in Toronto, this thesis aims to identify the various roles that policy, planners, institutions and others have played in creating planning strategies for cultural production in Canadian inner cities, and to identify significant characteristics of the broader political and institutional contexts in which these activities take place. Particular consideration will be given to:

- Economic and social effects of the 'rise of the creative city'
- inner-city jobs/housing balance
- (re)generation, renewal, displacement
- policy responses to these issues in the contemporary planning context of Toronto

## **1.4 Research Purpose and Objectives**

This thesis contributes to a body of knowledge on ways in which policy and land use planning have helped to shape a critical portion of a Canadian metropolis in light of recent industrial shifts. I intend to analyze post-industrial planning responses to the shift towards cultural industries. Specifically, this thesis will identify and interrogate planning decisions that have been made in Toronto over the last 10 years. My objectives are as follows:

- to identify current policy models in planning for cultural industries
- to analyze the cultural industry policy model demonstrated by the development of Liberty Village
- to provide a set of recommendations regarding inner city industry formation that urban policy experts should consider
- to make policy recommendations for an integrated planning response to advances in cultural industry.

## **1.5 Research Questions**

Links between arts and cultural policy, and inner-city investment have long been recognized (Evans 2001; Ley 2003; Strom 2002; Zukin 1997). The larger question is how can economic and industrial planning policies be written so as not to contradict broader goals of social equity?

Policy decisions affecting cultural industry development also have implications for other policy fields, such as cultural, social, and housing considerations. This new phase of economic development

also holds implications for the traditional roles of planners and institutions, including questions about the changing relationships, roles and responsibilities of policy, planners and institutions. Changes to the job-housing balance in the inner city leading up to, and since the development of Toronto's 2001 Official Plan indicate shifts in land use decisions and priorities. These shifts make an impact on social equity in the city (including changing labour and income composition, real estate values, changing patterns of land use and gentrification), begging the question of whether or not these elements have been adequately taken into account.

In the case study, I investigate changes that have occurred on the Liberty Village site in the last 5 years. Specifically, I look at changes to labour and employment, quality of place, investment and development, and their impact on the following questions:

- What part did planning decisions play in changes in Liberty Village and Parkdale?
- By what measures, and at what scale, can Liberty Village be evaluated as a success?
- How does the inclusion of the proximate district of Parkdale change the evaluation of Liberty Village's success?
- How do these observations inform interpretations of theories behind planning decisions in Toronto in recent years?

## 1.6 Framework and Methodology

In this thesis, I examine aspects of the experiences of planning for inner city new industry sites in Toronto as an example of responses observed within the broader "Canadian experience". I provide an argument for planning models which transcend traditional growth management and regulation, and which extend beyond lifestyle values of the "convivial" (Ley 1996) or "Creative" (Florida 2002) city, with particular emphasis on land use, holistic development and social housing considerations.

This thesis draws upon a number of major theories and practices in urban planning and policy, geography, and urban studies. In Chapter 2, I discuss theories related to the analysis of this case study, including globalization, global and world cities systems (Castells 1996; Friedmann 1996; Sassen 1997), industrial and economic restructuring (Bell 1973; Ley 1996; O'Loughlin and Friedrichs 1994),

the growing emphasis on culture, cultural production and the rise of the “Creative Class”, as well as trends in policy responses to these economic shifts (Brown et al 2000; Hutton 2004). Chapters 3 and 4 provide the policy and planning contexts for Toronto, as well as background on the case study, Liberty Village. Chapter 5 outlines the results of qualitative and quantitative research conducted on the site. Chapter 6 provides analysis and recommendations for cultural planning policy, as derived from the case study.

Analysis of these planning experiences will be conducted by modelling changes over time in the organization of the space-economy in inner city Toronto, using a variety of tools for triangulation. The methodology includes a literature review of theories and experiences in academic, policy and planning circles regarding the effects of industrial restructuring on inner cities, and especially the influence of creative and cultural industries on the spatial economy. Major land use and cultural policy documents, including Toronto Cityplan 1991, Toronto Official Plan 2001, Toronto Cultural Plan 2000, the Garrison Common Land Use Plan are examined and analysed as indicators of intent and motivations for shifts in planning strategies. These policy documents are supplemented by information obtained through six personal interviews conducted with a representative of the local business association, two local non-profit organizations, policy authors and planners in Toronto.

# CHAPTER 2: THEORETICAL CONTEXT

## 2.1 Introduction

In the post-industrial era, cities compete both nationally and internationally to attract corporate headquarters, investors and, importantly, the highly-skilled and mobile service sector workers (Sassen 2000). From a cultural standpoint, large-scale developments including museums, convention centres and sports stadiums once set the benchmark for the evaluation of these desirable, cosmopolitan milieus. Planning for the Creative City is the latest phase in this era of competitive place-marketing, in which cities struggle to earn regional and global recognition as desirable places to live, work and invest. In this new template for the successful city, spaces of diversity (the 'bohemian' city), vibrant entertainment (the '24-hour' city of late-night bars and restaurants), and sophistication surround the development of creative quarters, districts and precincts which rise more often than not from the decaying factories and economic functions of inner-city industrial sites.

Historically, both economic development and cultural planning have been linked to broader social concerns; combining these two approaches, the Creative City concept is also viewed as being built on inherent social values, and in the name of the public good. It is important to remember that

Creative City planning is also Competitive City planning: that is, a response to economic pressure in the post-industrial era, to the imperative for cities to remain nationally and globally competitive. There are also associated pressures for municipalities and planning departments to adopt a more 'entrepreneurial' style of city-building, with greater independence from higher government bodies. Given these constraints, Creative City policies may be hard-pressed to effectively integrate economic and cultural planning without becoming, as Ley (1996) suggests critically, "rhetorical" or "significantly emptied of their redistributive content."

Fallout from economic development initiatives, such as income inequality and the displacement of residents and land use functions to the suburbs, are not new observations: urban renewal projects have been the subject of celebration and critique throughout the last century. What is occurring on inner city sites now builds on these traditions; however, we can also read newer aspirations for city-building and promotion in the vein of Florida's Creative City. Planning for renewal of inner city sites thus presents a current and interesting example of ways in which planning is implicated in urban change.

In this chapter, I briefly introduce theories of industrial change since the 1970s, focusing on the particular roles of culture and cultural industries in economic and labour restructuring in the last five years. This restructuring has led to the rise of a professional-managerial class of workers whose geographies of living and working in the inner city have also shifted considerably, the latest phase being the "creative class" engaged in cultural-production. Land use and the displacement of existing functions are discussed, along with the ways in which these changes have affected the relationship between cultural policy and urban planning, and general urban priorities in planning and policy-making. Blue-collar residential and labour displacement from the central city is explored through shifts in land use and the resultant market values, as an indication of inequality.



## 2.2 Cultural Industrial Restructuring: theories of spatial, industrial and economic change

### 2.2.1 Cultural Industries: defined

The current period of industrial restructuring has been alternatively packaged as a 'new cultural economy' (Scott 1996), often with a focus on the New Economy as a subset of cultural industries in general (Pratt 2000). The cultural economy has been defined broadly, as Evans does in describing it as the "packing and pursuit of urban regeneration through cultural activity and buildings characteristic of the post-industrial city worldwide" (Evans 2001:137). Other broad definitions relate cultural products to their symbolic meanings, encompassing all goods "whose primary economic value derive from their cultural value" (O'Connor 2000). Alternately, the value of cultural activity is more often evaluated these days in terms of its current or potential economic productivity.

Typically, creative industries include technology-intensive production and/or cultural product output, such as graphic design, clothing design, video game and other software production, computer imaging, architecture, Internet services, to name a few.<sup>1</sup>

There has also been evidence of a hybridization of cultural and economic practices, resulting in changes to the institutional management structures of arts- and culture-based businesses (Pratt 1997). Due to the differences in the various steps along the production chain for each of these disparate product types, many researchers have cautioned against creating blunt policies for the broad spectrum of industries identifiable within the cultural economy (Pratt 2004). Rather, planning for creative industries tends to focus on local specialization. A recent article by Scott

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<sup>1</sup> Finding and agreeing on more rigorous definitions of "cultural industries" have posed a problem for academics and planners, however. Florida's original thesis has been widely criticized for its broad definition of "creative class" industries, but he is not alone. Statistics Canada defines the cultural industry as "Information, culture and recreation, including the publishing, film and sound-recording industries, design services, internet, and travel"; the Standard Industrial Classification (SIC), the North American Industry Classification Standard (NAICS), census data and other labour and industry standards have been used for empirical data (Scott 1997, Pratt etc) but the categories relating to cultural industries are generally acknowledged to be crude, and often based problematically on raw materials rather than end products (Pratt 1997).

<b>CLOTHING</b>	Pietrobelli and Barrera 2002; Rantisi 2002b; Scott 2002a
<b>JEWELLERY</b>	Scott 1994
<b>FURNITURE</b>	Scott 1996; Lorenzen 1998; Harner 2002
<b>FASHION RETAILING</b>	Crewe 1996; Crewe and Beaverstock 1998
<b>FILM AND TELEVISION PROGRAM PRODUCTION</b>	Storper and Christopherson 1987; Cornford and Robins 1992; Henriques and Thiel 2000; Bassett, Griffiths, and Smith 2002; Krätke 2002; Scott 2002b
<b>MUSIC</b>	Hudson 1995; Leyshon, Matlers, and Revill 1998; Scott 1999b; Brown, O'Connor, and Cohen 2000; Leyshon 2001; Calenge 2002; Gibson 2002; Power and Hallencreutz 2002
<b>PRINT PUBLISHING</b>	Driver and Gillespie 1993a, 1993b; Norcliffe and Rendace 2003
<b>NEW MEDIA</b>	Scott 1998a; Brail and Gertler 1999; Cooke and Hughes 1999; Egan 1999; Pavlik 1999; Sandeberg 1999; Yun 1999; Indergaard 2001
<b>DESIGN SERVICES</b>	Molotch 1996; Hutton 2000; Molotch 2002; Rantisi 2002b; Vervaeke and Lefebvre 2002
<b>ADVERTISING</b>	O'Connor 1991; Leslie 1997; Newman and Smith 2000; Grabher 2001

**Table 2.1. Creative industries which have been the popular focus of scholarly empirical research in the last 15 years, developed from Scott (2004)**

(2004) provides a list of some creative industries which tend to form industry-specific districts, and have been the popular focus of scholarly empirical research in the last 15 years (see Figure 2.1). The list can be further extended by reference to urban entertainment districts (Zukin 1995; Sassen and Roost 1999; Lloyd and Clark 2001) as well as cultural districts comprising museums, art galleries, and performing arts complexes (Frost-Kumpf 1998; Brooks and Kushner 2001; Lorente 2002; Santagata 2002; Van Aalst and Bogaarts 2002).

The heady dot.com boom of the 1990s may be seen as an early marker of market-led developments in cultural industry, predicated as it was on the talents of young, creative entrepreneurs and

cutting-edge knowledge and technology. The dot.coms stand as evidence of the emergence of spatial clusters of this new economic activity in former industrial spaces of trailblazing cities such as San Francisco, New York and London (Hutton 2004a; Indergaard 2001; Pratt 2000). Indergaard's examination of the rise and fall of New York's new media district discussed the hype surrounding those startups, for example, and faith in the ability for 'new media' to replace old and flagging economic engines (Indergaard 2001). Enthusiasm for these flagship economies was infectious in Canadian cities as well: for example, at the tail-end of this hype came expedited plans for a New Economy business site in Vancouver's False Creek Flats, composed of former industrial and transport-related lands. These plans were terminated in the wake of the eventual 'dot.com bust' at the turn of the next decade, an event that may well serve as a cautionary tale to policy-makers and planners (Hutton 2004). Meanwhile, evidence exists to show that even in the 'post-industrial' era, manufacturing is not dead: despite significant structural changes in the manufacturing sector in Toronto, for example, it remains the second-largest employment sector after office employment (Toronto CityStatus, 1999).

The apparent volatility of these high-tech developments, as well as the persistence of a significant traditional manufacturing sector, may call into question planners' reliance on this thesis of industrial change for strategic decision-making. However, evidence of creative-industrial continuity in the months and years following the dot.com collapse suggests taking a still-serious but perhaps more prudent view – thus, we may be witness not to a direct replacement for the declining manufacturing and industrial economy, but to shifts which fall within the broader, more long-term scope of post-industrial reorganization (see Figure 2.2 for a comparison of managerial and entrepreneurial city models in planning theory).

The literature provides several case studies which attempt to describe this continuity in terms of their respective local contexts; the results are varied. To illustrate, Indergaard traces the post-bust dispersal of Silicon Alley functions in New York City, and their re-integration into the pre-existing economy through other activities and industries (2001). Bathelt and Boggs' (2003) research on eco-

	Managerial City	Entrepreneurial-Competitive City	Entrepreneurial-Creative City
CHRONOLOGY	<ul style="list-style-type: none"> <li>• pre-1970s</li> </ul>	<ul style="list-style-type: none"> <li>• 1973-early 1990s</li> </ul>	<ul style="list-style-type: none"> <li>• Late-1980s to present (including dot-com boom)</li> </ul>
ECONOMY	<ul style="list-style-type: none"> <li>• Industrial</li> </ul>	<ul style="list-style-type: none"> <li>• "Post-industrial"</li> <li>• Knowledge Economy</li> </ul>	<ul style="list-style-type: none"> <li>• "Post-industrial"</li> <li>• Postmodern</li> <li>• New Economy</li> </ul>
ECONOMIC SIGNIFIERS	<ul style="list-style-type: none"> <li>• Factories</li> </ul>	<ul style="list-style-type: none"> <li>• Financial headquarters</li> <li>• Centres of command and Control</li> </ul>	<ul style="list-style-type: none"> <li>• New Economy and Cultural-productive clusters (decentralized)</li> </ul>
URBAN SIGNIFIERS	<ul style="list-style-type: none"> <li>• Smokestacks, factories</li> </ul>	<ul style="list-style-type: none"> <li>• Stadiums</li> <li>• Convention Centres</li> <li>• Museums</li> <li>• Live-work lofts</li> </ul>	<ul style="list-style-type: none"> <li>• Derelict factory lands <i>cum</i> cultural-productive quarters and districts on fringe</li> <li>• Entertainment districts</li> <li>• Spectacles –arts and cultural festivals</li> <li>• Gourmet amenities – restaurants</li> <li>• Live-work lofts / residential Lofts / owner-oriented condos/ townhouses</li> </ul>
URBAN IMAGE	<ul style="list-style-type: none"> <li>• Productive</li> <li>• Blue-collar</li> </ul>	<ul style="list-style-type: none"> <li>• Cosmopolitan</li> <li>• Sophisticated</li> </ul>	<ul style="list-style-type: none"> <li>• Lifestyle living</li> <li>• Playground / dream jobs</li> <li>• Diverse</li> </ul>
ORIENTATION	<ul style="list-style-type: none"> <li>• Regional</li> </ul>	<ul style="list-style-type: none"> <li>• Global</li> </ul>	<ul style="list-style-type: none"> <li>• Global and Local</li> </ul>
URBAN FORM	<ul style="list-style-type: none"> <li>• Industry-oriented urban core</li> <li>• Suburban residential sprawl</li> </ul>	<ul style="list-style-type: none"> <li>• Dense residential core</li> <li>• Commercial/business zoning</li> </ul>	<ul style="list-style-type: none"> <li>• 'Model' urban core</li> <li>• Flexible/Performance zoning</li> <li>• Mixed use areas</li> <li>• "Signifying precincts" and "epicenters" of New Economy clusters (Hutton 2004)</li> <li>• Suburbanization of industry, poverty</li> </ul>
HARBINGERS		<ul style="list-style-type: none"> <li>• Knowledge Workers</li> </ul>	<ul style="list-style-type: none"> <li>• Artists, "bohemians" (Florida, 2002), the Creative Class</li> </ul>
PLANNING STYLE	<ul style="list-style-type: none"> <li>• Boosterism</li> <li>• Top-down decision-making</li> <li>• "Planner knows best"</li> </ul>	<ul style="list-style-type: none"> <li>• Competitive</li> <li>• Entrepreneurial</li> <li>• Boosterism</li> <li>• "Market knows best"</li> </ul>	<ul style="list-style-type: none"> <li>• Competitive</li> <li>• Entrepreneurial</li> <li>• Boosterism: interest-group advocacy</li> <li>• Responsive planning tools (e.g. flexible zoning)</li> </ul>
SOCIAL PLANNING STYLE	<ul style="list-style-type: none"> <li>• Advocacy planning</li> </ul>	<ul style="list-style-type: none"> <li>• Equity Planning</li> </ul>	<ul style="list-style-type: none"> <li>• Coalition planning</li> <li>• Civic engagement</li> </ul>
FUNDING	<ul style="list-style-type: none"> <li>• Upper government</li> </ul>	<ul style="list-style-type: none"> <li>• Government</li> <li>• PPPs</li> </ul>	<ul style="list-style-type: none"> <li>• Increasingly PPPs</li> </ul>

Table 2.2 Comparison of Evolving City Models: Managerial, Entrepreneurial-Competitive and Entrepreneurial-Creative

economic development paths in the old and new media industries of Leipzig, Germany suggests that the region has encountered various cycles of continuity, characterized by stages of growth, crisis, and a 'rebundling' of local assets to find a slightly shifted path that will again lead to growth. While further research is needed to determine the generalizable features of these specific cases, if any, the research nevertheless points to the possibility for alternative rationales and patterns of regeneration.

Hutton, Gertler, Pratt and a number of others further suggest a greater focus on what they term the more "robust" features of these shifts: structural economic change, new and redeveloped economic spaces, and the reclassification of labour (Hutton 2004a). Academic research in cultural-economics has further followed Pratt's (2000) lead in turning away from its singular emphasis on consumption to focus more on production aspects; for planners, this type of focus is particularly relevant, relating as it does to planners' capacity to influence decisions about land use, and the development of infrastructure and an image that can attract investments, jobs and talents required to maintain an inter-urban competitiveness.

## **2.2.2 Cultural Industry Characteristics**

Some of the more salient characteristics associated with the 'new cultural production' are reminiscent of the advanced, knowledge-intensive producer services linked to Sassen's (1989) work on global cities; these attributes also indicate the potential for the economic development of some urban renewal sites to be built around cultural productivity. These characteristics include flexible specialization of products for diverse, segmented and divergent markets (Scott 1997; Sassen 2000); small 'neo-artisanal' production sites and spaces (Norcliffe & Rendace 2003); increased value (both economic and social) placed on knowledge, information, high-tech and "creativity"; industrial and organizational clustering with other creatives for economies of scale, or for purposes of information-sharing and competition. Though ownership structures vary, a prevalent "bi-modal" structure has emerged, characterized by transnational headquarters and more local and flexible sites of production. Some authors also suggest a crucial link between cultural industries, transnationalism and the global econ-

omy, emphasizing the development of a 'local flavour' to cultural products, giving cultural productive industries their 'edge' in global consumer markets (Brown et al. 2000; Scott 1997).

### **2.2.3 Cultural Industry Workers**

The integration of arts, culture and creativity into the economic sphere in recent years has aided municipalities in pushing for a Creative City agenda, in the name of the public good.

Cultural workers account for 3.8% of the Canadian labour force (Durand 2002), 2.4% of the total American labour force (Scott 2000) and 4.5% of the British labour force (Pratt 1997). These figures clearly do not rival those of manufacturing employment in their respective nations. They do, however, represent sizable contributions to absolute employment and income, if only modest proportional contributions to the national economies of those countries (Scott 2004). These figures, alongside anecdotal evidence of the "turnaround" of urban inner cities, appear to hold out some promise for the potential of the cultural economy to stimulate job creation and urban regeneration in stagnating areas.

The growing acceptance of culture as a relevant and viable economic force may be indicated in the proliferation of government-commissioned reports, which attempt to document the impact that these industries have on the economy. These include city-specific analyses of industry, labour market and employment conducted in both major and medium-sized cities across Europe and North America, documenting the contribution of culture to GDP and employment, for example (Evans 2001).

### **2.2.4 The Space-Economy: regeneration, renewal and displacement**

Despite early warnings (and, in some quarters, celebration) that the new technological component of industry and economy would mean the 'death of place' and the rise of a 'weightless economy', several writers have discussed the ways in which these industries are fundamentally tied to physical space, indicating a distinct grounded component to these shifts in industrial formation (Hall 2000; Helbrecht and Pratt 2000; Hutton 2004b; Sassen 1997, 2000).

Some suggest that along with this cultural turn in industrial form come changes in the spatial

structure and land use of inner city spaces. Changes associated with the post-industrial metropolis have included uneven international and national development, concentrated around economic-powerhouse cities (such as Toronto, Montreal and Vancouver) and a functional reorganization of the industrial city, in which retailing and manufacturing functions have moved into the suburbs, while the central city serves an administrative/office (and to varying degrees, a residential) capacity (Bourne 1996). There has also been a “new-wave suburbanization” of higher office functions, and a continuing ‘satellite’ relationship between suburban and central city functions (Coffey 1994).

The location and function of the city ‘fringe’ forms a key area for cultural industry development. Found within the city limits, but outside of the already built-out CBD, these lands constitute important resources for the city. As Hutton explores in the cases of Vancouver, Singapore and London, we can also distinguish a distinct chronological pattern of new industrial development, characterized in Hutton’s (2004a) discussion on the temporal progression of intermediary industries, or the evolution of localised ‘knowledge clusters’ in the metropolitan core:

- development of business service sub-centres at the fringes of the metropolitan core
- growth of artisanal production
- expansion of creative services in the reconstruction of inner-city spaces
- dot.com boom and bust, also generally within the inner city spaces
- emergence of “hybridized” forms of the ascendant creative firms

The wholesale regeneration of the industrial character of these neighbourhoods, and the recycling of heritage structures for new office or high-end residential uses, have been part and parcel of the new industrial restructuring. Of course, planning these interstitial spaces presents both opportunities and challenges that the development of industrial suburban sites do not, among them existing buildings and infrastructure (some of which are protected by heritage by-laws), constrained site sizes, and existing neighbourhoods and proximity of established residential communities. The convergence of these planning strategies present particular challenges for cultural planning policies, which also have their own unique historical links to consideration for the arts, social welfare and economics.

<b>FIRST-GENERATION STRATEGIES : PLACE-MARKETING</b>
Increased attraction for tourism through revitalizing the downtown
Building cultural facilities: "the museum, the concert hall, the theatre, the experience centre of whatever theme, the sports stadium and finally, the aquarium."
Later, clusters of cultural facilities and industries extended into cultural districts and quarters, including warehouse/factory conversion into spaces for large events, public festivals and spectacles
Iconic and 'signature' buildings, by famous architects

**Table 2.3. First-Generation Strategies for Cultural Planning (summarized from Scott 2004; Evans 2001)**

## 2.3 Culture and Policy

Historically, the association between culture and policy has been constructed from the perspective of culture-as-arts rather than culture-as-economics. Cultural policies of the former type have tended towards amenity and social welfare planning, and the provision of arts and cultural amenities as public good.

However, subsidy models of cultural investment, which lend financial support directly to artists through arts foundations and other granting organizations, and once the preferred mode of public support for cultural production, have increasingly given way to models which recognize the economic viability of certain forms of art and culture. More recently, developments once characterized as art investment for the public good have been recapitulated as investment for tourism and place-marketing purposes. These typically include, for example, investment in museums, art galleries, opera houses, theatres, and aquariums (Evans 2001), which now fall alongside more traditional models of "world-class city" development that include the building of sports stadiums and convention centres.

The links between cultural policy and inner-city investment in urban regeneration and job creation have not gone unnoticed either (Bassett 1993; Bianchini 1993; Donald & Morrow 2003; Evans 2001; Ley 2004; O'Connor 2002; Scott 2004; Zukin 1998). Much early discussion on these links centred on the provision of jobs in the tourism industry through focused place-marketing policies.



Features of the cultural economy discussed earlier in this chapter, including small-scale or 'neo-artisanal' (Norcliffe and Eberts 1999) production, proximity to other cultural economic activity, and the blurring of traditional production and consumption lines ensure that cultural industries are responsive to their consumer markets and, in turn, constitute a viable economic force. The shift towards an economic focus in cultural policy planning acknowledges the contemporary role of cultural production as an industry, rather than the traditional emphasis on individual producers of art and culture.

### **2.3.1 Culture-as-Economics**

Scott (2004) provides a useful typology of municipal strategies for cultural-economic development, offering a chronological grouping of 'first-generation' and 'second-generation' policies and strategies, linked partly to changing definitions of cultural industries (see Figure 2.3, below). Scott suggests that earlier strategies tended towards place-marketing, while the current 'second-generation' schemes focus on production aspects. Including "physical export of local cultural products to markets all over the world" (Scott 2004: 265), and major metropolitan assessments of quantitative contribution of cultural industries to the economy. These strategies are not exclusively chronological, however, as place-marketing remains a strong cultural concern of many cities, to encourage tourism and to help bolster a city's image as a desirable place to live and work, as well as a worthy place for investment.

Some authors note that dwindling public subsidy for 'pure' arts and culture (in which economic viability is a secondary or unintended goal) often coincides with fiscally and politically conservative strategies in governance (Evans 2001; O'Connor 2002). As arts organizations compete for dwindling funds, they often become subject to increasingly strict quantitative evaluations, and struggle to identify themselves concretely as viable investments. By contrast, reinvestment in derelict industrial lands, and the resulting economic contribution of cultural industries, appears more defensible for a fiscally constrained municipality.

### 2.3.2 Culture as Lifestyle/Aesthetics

The rise of culture in planning priorities has mirrored the rise of cultural production and consumption in society. Changes in core cultural values that connote and make possible the Creative City – including value placed on a city's quality of life and wordly image – underpin many of the shifts in what might be characteristic of planning for the postmodern city (Dear and Flusty 1998). These changes include a shift from authoritative government to more civic-based governance and planning processes, and priorities which direct attention from the rational-economic toward cultural and aesthetic elements. Though these 'newer' elements are often associated with greater inclusivity, democracy and a (therefore) more socially progressive stance in more celebratory postmodern literature, a progressive social agenda for Creative Cities is not inherent.

When David Ley wrote about a seachange in planning priorities for Vancouver in the last quarter of the 20<sup>th</sup> century, for example, he concluded that the 1980s emphasis on planning for the 'livable' or 'aesthetic' city was viewed by planners and citizens to be progressive; however, these plans were mainly viewed as such having managed to switch gears from the untrammled pro-growth strategies that had characterized city planning in the 1960s. However, Ley's analysis found this 'new' orientation to be strangely inimical to both business and social interests, signifying the importance of context, specificity, and clarification about the priorities and compromises that must be made in any policy strategy. In the newer formation of the Creative City, place-marketing to attract tourism has been largely supplanted by planning schemes which combine civic boosterism, aesthetics and business targets. These elements work in tandem to bolster a city's image as a vibrant, dynamic and gritty place with high quality-of-life, and an enviable space in which to live, work, play and invest.

## 2.4 Creative City Planning: new strategies

Cultural industries tend to develop unevenly in a given urban system. They are generally concentrated in one or a few cities in a nation, and clustered within certain locations within those cities, particularly formerly-industrial lands (brownfields) on the fringe of the inner city (see for example O'Sullivan 2002, on the London Fringe, and Momaas 2004 on the Netherlands).

The promise held out by cultural industry to help rejuvenate flagging industrial cities like Toronto and Montreal (as well as dwindling resource economies, as in Vancouver) have resulted in a host of policies around culture and cultural industries, launched by city councils and planning departments eager to find a pro-active role that will help to ensure their future economic independence and success.

### 2.4.1 Entrepreneurialism

Entrepreneurialism has been recognized as a long-standing feature of civic governance in the United States (Harvey, 1989) and Canada (Donald 2002, on Toronto). Coffey (1996) suggests an association of the early post-industrial period with a strengthened role of the state in service delivery and regulation (welfare, transit, public housing, regulation of the private sector). In Canada, this trend was followed by a period of federal disinvestment of responsibility and funding for these services, in which these duties were increasingly devolved to municipalities (Federation of Canadian Municipalities, 2004).

David Harvey (1989) theorized the occurrence of a shift in urban governance from managerialism in the 1960s to entrepreneurialism in the 1970s and 1980s in Britain and the United States, which he linked to post-1973 economic and political instability, and the rise of inter-urban competition for resources, jobs and capital. Harvey's urban entrepreneurialism features public-private partnerships in a central role, integrating traditional "civic boosterism" with local government processes. This public-private formation (a distinct form of "governance") is entrepreneurial in that urban development is

speculative, with the greatest risk is absorbed by the public; moreover, risk-absorption occurs at the level of local government, rather than by nation or state.

Another major feature of urban entrepreneurialism is scale. Harvey defines two types of “spatially-grounded social processes” of urbanization, both involving the construction or enhancement of living and working conditions. The impacts of a territory-focused project are tangible and direct, typically economic development projects which improve the conditions of the immediate jurisdiction and its residents. Place-based projects, on the other hand, are associated with entrepreneurial governance. As Harvey describes:

Their form is such as to make all benefits indirect and potentially either wider or smaller in scope than the jurisdiction within which they lie....Place-specific projects ...also have the habit of becoming such a focus of public and political attention that they divert concern and even resources from the broader problems that may beset the region or territory as a whole (Harvey 1989)

Construction of “place” can include, for example, the development of image and identity of a place that are more strongly associated with Scott’s notion of “first-generation” strategies of cultural industry development.

## **2.4.2 The new urban governance: entrepreneurial tools**

Case studies from the literature also indicate that cultural industries thrive in some places over others (Brail 1997; Brown et al. 2000; Florida 2001; Indergaard 2001; O’Sullivan 2002; Scott 1997; Pratt 2000). Successful cases have emerged, to varying degrees, via different combinations of spontaneity and strategic planning (see Brown et al. 2000 on a comparison of planned versus spontaneous music districts in Sheffield and Manchester, respectively).

A theme common to these success stories is that cultural industries appear and grow in clusters, as did their industrial predecessors; at the same time, attempts to infer direct causality or to oversimplify the patterns of cultural industry development have led some researchers to characterize the phenomenon as “hype” (Momaas 2004), and others to argue against a spatial starting point for analysis or policy-making (Pratt 2004b). In particular, blunt, top-down strategies employed by some enthusiastic

cities are strongly critiqued for not having enough finesse or handle on local cultural specificities, seen by many to be the crux of successful cultural economies (Brown, et al. 2000; Scott 1997, 2004).

Planning strategies for Creative Cities have been shown to be relatively successful in both initiating and advancing cultural cluster development, and tend towards providing greater flexibility, adaptability and responsiveness. As a subset of competitive global city functioning, cities tend to interpret their role in the New Economy to require greater responsiveness to the market, potential investors and developers:

Businesses increasingly require flexibility in order to compete effectively in the global economy. This need for flexibility extends to a firm's lands and buildings, and to what is available to support that business activity in the immediate area. A broad and inclusive approach to employment uses in Employment Areas is needed for the City's economic future. (Toronto Official Plan, 2001)

Planning for the Creative City is at once planning for the economically competitive city, and typically enacted through strategies such as entrepreneurial partnerships, business clustering, flexible zoning and place-marketing.

### **2.4.3 Partnerships**

In the case of cultural industry development, several authors underscore the importance of emerging definitions of roles and partnerships for private industry, citizen and other non-governmental organizations, city planners, and government, which emphasize collaboration, entrepreneurship, and a movement away from typical managerial styles of planning and governance.

Creative City development is often written as a success story in 'bottom-up' development, by which is usually meant organization of local business interests without the aid of the local government. The literature on planning for cultural-creative industries further suggest that City-led initiatives for cultural industry development tend to be ineffectual, compared with the efforts of the business community, as the City is poorly positioned to respond to the more rapid changes in business needs. For example, Brown *et al.* (2000) jubilantly trace the "spontaneous" development of Manchester's successful music industry to entrepreneurship, in this case based on the strength of that quarter's

local business association. Brown et al. cite industry's "deep skepticism" of city authorities, and city reluctance to fully "buy in" to a cultural quarter strategy, as key reasons for the industry's relative independence. However, the trajectory of development is clearly shaped by forces other than the music producers themselves: interviews from both government officials and industry representatives spoke positively about the "hands-off but strongly supportive role" of the city, which focused on traditional planning roles to enable development: improving infrastructure and transportation, or facilitating the development of a 'buzz' by relaxing zoning and licensing laws, for example. This bottom-up approach to development exemplifies the role slated for the entrepreneurial city planning department: to facilitate, support and steer business community-driven initiatives. Brown *et al.* further contrast the triumphant success of "Madchester" to City-driven efforts that resulted in the music industry in Sheffield, the latter characterized as staid, inorganic and in need of constant buttressing by the City in order to remain viable.

In his study of cultural clustering policies in Dutch cities, Momaas (2004) reminds us that the most successful policies were created ad hoc rather than proactively, allowing cities to play an enabling (rather than leading or generative) role in encouraging the "spontaneous" development of these sites.

Partnerships between municipalities and third sector organizations are also increasing, though the respective roles assumed by each party are again different. Bassett (1993), for example, takes the changing roles of art, culture and governance to be the result of a structural lack of funding in the arts. Consequently, she cites the need for governments play a supportive role in developing advocacy-oriented arts-based organizations. Bassett discusses the leading role of local Arts Councils in the United States since the 1960s in linking arts and culture to community economic development initiatives. Municipalities in England looked to these arts councils for cues in the 1980s to deal with flagging national support for arts and arts industries, resulting in organizations such as the Urban Development Corporations, which "bypassed local authorities and increasingly drew local business elites into the

urban-policy arena...as a result, local authorities were forced to respond by adopting a more entrepreneurial style” (Bassett 1993). Evans (2001) has noted the advocacy role of Artscape in Toronto, a non-profit “social property development organization” with a mandate to recognize the links between artists and gentrification, and to find and convert spaces for residential, work, and multifunction purposes of arts and cultural workers.

#### **2.4.4 Business Clustering**

Several authors suggest that clustering models, in particular the work of Michael Porter on business clusters, form the most popular methodology for the development of cultural policy (O’Sullivan 2002, Pratt 2004a). As an overt strategy of cultural and economic planning policies, it has been used to bolster the cultural economy through the encouragement and development of cultural quarters, districts and milieus. Porter (1987) writes that such clusters are thought to achieve three things:

- raise productivity by allowing firms access to specialised knowledge, skills and infrastructure through sharing with other firms
- increase a firm’s capacity for innovation by spreading technological knowledge more rapidly, and
- stimulate higher rates of new business formation as employees become entrepreneurs through spin-off ventures.

Pratt (2004) adds that on a regional (and sometimes national) scale, clustering helps cities to promote local competitive advantage, using the creative sector as a leading high-growth sector. Momaas maintains that “the cultural clustering model represents an interesting turn in urban cultural policy-making, from a more exclusive, vertical and regulatory perspective, to a much more inclusive, horizontal and stimulating perspective” (Momaas 2004). Clustering also represents a “Third Way” approach, ideally allowing for both responsiveness to market conditions, as well as interventionist guidance of government and policy (O’Sullivan 2002).

Since the late-1990s, the City of Toronto has been explicit in its promotion of a cluster-based organization of the economy (Toronto at the Crossroads, 1999). A report by the Toronto Economic Development Office (within the planning department of the City of Toronto) defines a cluster as:

a set of inter-linked private sector industries and public sector institutions, whose final production reaches markets outside of the region....the cluster approach to economic development reflects in some ways a more traditional focus on the export base of a region. An expanding export base—or competitive clusters—is the key to the economic prosperity of the City.  
(City of Toronto, 2003)

Michael Porter's work on business clusters and their role in maximizing the competitive advantage of inner cities is a prominent influence on policy formation in Toronto, as elsewhere (see Pratt 2004).

## 2.4.5 Flexible Planning

The ability to change and exploit existing zoning has been a key factor for the development of cultural industry. Namely, the generation of new economic activity in old industrial spaces (see Boschma 1998 for a summary of research on early post-war industrial regeneration in the "Third Italy" case) includes the important conversion of both land use and building stock from their original industrial and warehouse purposes, and the push in support for the development of multi-function buildings.

As a site both for production and consumption, the Creative City presents a space for tension in land-use choice: should underused industrial lands be retained for employment purposes or converted to residential lands? As Lorus explains:

The pressure for redesignation [from industrial or commercial to residential] is not because it is bad employment land, it is because of the residential land market. Residential land is worth much more money to the private landowner. The return on investment is faster, and it can be developed more intensely. In Ontario, planning policies promoting higher residential densities have led to smaller lots, higher yields and a widening price differential. The potential financial gains from redesignating employment land to residential use are so significant that they justify bringing extraordinary consulting and legal resources to bear on the applications

(Lorus, 2004)

The reasons given for conversion of industrial lands (in name and in usage) are many: that industry is 'not coming back', at least not to the inner city, that industrial lands can be better used and preserved in the suburbs:

I don't think anybody in Parkdale took notice [of the changes and developments happening in Liberty Village in the 1980s and early 1990s]. I mean, it's better than having vacant land, derelict land deteriorating.

(Economic Development Organization, personal communication 2005)



What is not often discussed in economic planning literature on regeneration is the economic and social welfare of the existing residents in surrounding areas, particularly those who work in trades. Industrial uses, after all, are thought to “offer the best opportunity to create high paying jobs in traded sectors as compared to other uses” (CREDC 2002). As workers’ incomes become polarized, a geographical representation of this difference also begins to emerge, with many inner-city workers looking increasingly towards the suburbs for viable housing opportunities. This distance between spaces for live and work disproportionately affects lower-income workers, for whom transportation options may be particularly constrained.

Gentrification, in the case of culturally-based regeneration, is as much about the displacement of former land uses and zoning as it is about residential dislocations. Zukin (1988), in her discussion of the displacing effect of live-work lofts in New York, argues that “the real victims of gentrification through loft living are not residents at all”; rather, Zukin cites the greatest loss to these sites as displacement of industrial for commercial capital that causes the greatest loss.

The way in which zoning amendments are conducted is also key to cultural industry planning. Zoning is a classic planner’s tool. Traditional zoning is typically implemented for its ability to exert control over externalities and fluctuations in property values, due to unanticipated development in an area:

Thus conceived as a means of protecting the legitimate interests of current neighborhood residents, zoning regulations should be flexible to change over time, sensitive to unique neighborhood concerns and contexts, and based upon a participatory process. Citizen participation both gives voice to the interests of current neighborhood residents and provides the most effective safeguard against corruption of the zoning process. (Karakkainen, 1994)

Critics of traditional zoning practices have typically found themselves on the conservative end of the economic spectrum, arguing for development that is less regulated and more market-driven, and for a faster application-to-development process. More recently, however, zoning critiques have come

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<sup>2</sup> Gentrification is often viewed as a loaded term, seen to connote the most negative and unjust elements of the transformation of working-class neighbourhoods to middle-class ones. The critical term has been linked to arts-led regeneration, most notably by Ley (2003) and Zukin (1988). Though contested, the term is a good fit, speaking as it does to effects more subtle than direct displacement, packaged as part of a process of renewed values in aestheticism, lifestyle and quality of life, and neighbourhoods in which these priorities are increasingly emphasized.

from all political persuasions. In the face of economic instability, “flexible zoning” (also deregulated, “as-of-right” or ‘performance’ zoning) has emerged as a popular means to encourage responsiveness to the changing conditions of the market that are widely regarded to require a quicker and more tailored response:

Businesses increasingly require flexibility in order to compete effectively in the global economy. This need for flexibility extends to a firm’s lands and buildings, and to what is available to support that business activity in the immediate area. A broad and inclusive approach to employment uses in Employment Areas is needed for the City’s economic future. (City of Toronto 2001, Employment Areas)

Flexible zoning is seen as an adaptable tool for planning. In contrast to the more rigid “cookie-cutter approach” of traditional exclusionary zoning regulations, flexible zoning standards allow for a site’s potential usage to remain open-ended, rather than pre-determined. In general, the strategy is more complex and time-consuming, and realistically can only be applied to specific sites within a city, rather than perform as the primary zoning tool across the entire city. Many city planners have found this to be an attractive supporting tool, however, particularly in the case of urban regeneration. Flexible zoning and the use of development cost levies can address some of the issues of “fiscal freeloading” (Karakkainen 1994), by which some developments place greater pressure on public resources and services than others. Flexible zoning systems allow for a greater amount of variance, special exceptions and land designations in an area, often targeted towards the development of a mixed-use area of retail, office and residential functions. The increased flexibility also ideally allows for the development and use of land to be more responsive to market forces, resulting in more economically efficient outcomes.

Flexible zoning has its critics, as well. By examining development applications on a case-by-case basis, flexible zoning introduces greater uncertainty into the development permit process, with two major impacts: first, the nature of flexible zoning simply necessitates more (and more intensive) administration over the development permit process. Secondly, and more fundamentally, this ‘uncertainty’ catalyzes a shift of regulatory responsibilities from City planners to developers. Expecting

developers to shoulder this responsibility for self-initiated site planning may be a key impact on planning as a whole; also at stake, as we will see in the case of Liberty Village, is the City's potential loss of power over site regulation. Jaffe (1993) also argues that the original models for performance zoning - developed to account for environmental impact of development and public health - actually benefit little from most performance zoning standards.

Supporters acknowledge that flexible zoning can be most effective in conjunction with long-term strategic planning and broader land-designations in city plans; while critics argue that flexible planning must not be attempted without integrating these broader planning structures. Critiques of flexible zoning come largely from the perspective of regional and long-term strategies, but also from business advocates, as multi-use and flexible zoning have sometimes undermined the clustering effects seen as important to industry growth and development.

#### **2.4.6 Place-Marketing**

Another key strategy in creative city planning has been the focus on indirect infrastructural concerns targeted towards potential consumers, suppliers and Creative Class labour force, including (1) the development of ancillary business functions (legal, accounting, administrative, etc.); (2) live-work studios for individual artists and start-up creative industries; and (3) low-rent spaces for cultural industry; cafes, bars, cultural and entertainment venues and shops. Cultural facilities are often regarded as a major economic boon (and catalyst) in their capacity to heighten the cultural image of a city. These amenities help cities to successfully compete for tourists, and the highly-valued skilled and mobile employees (specialized service workers, and more recently those in the 'creative' workforce) who place an increasing value on a city's 'buzz,' and on aesthetic, arts and cultural lifestyles (Strom 2002; see Ley 2003 for a perspective on the 'valorization' of arts, culture and aesthetics)

## 2.5 Creative City and the Social Agenda

The Creative City is viewed as a place in which diversity is not merely tolerated, but is fundamental to the development of cultural vibrancy. Florida (2002) suggests that increasing a city's tolerance for artists, gays, ethnic minorities, and other forms of diversity (ranked on a "Bohemian Index") can help to foster the development of cultural industries and Creative Cities. Though the notion of causality is likely spurious in many cases, the links he suggests strike a kernel of truth which other authors have also noted: the Creative Class appears to follow artists and the 'bohemian' sections of society (Gertler, Florida, Gates and Vinodrai, 2002). Follow-up work by Gertler et al (2002) on Canadian cities support the findings that artistic activity and social diversity may be reliable indicators for cultural industrial success.

Surprisingly for a thesis that uses 'class'-based nomenclature, Florida's theory has little to say about the divisions and inequalities that are typically at issue in class divisions such as wealth and income gaps, and indicators of these gaps such as housing access and displacement. In fact, many of the cities popularly recognized to be successful examples of "creative cities" with thriving cultural industries and a high ranking on Florida's Bohemian Index also suffer from the classic signs of a housing affordability crisis, measured by increasing incidence of homelessness, falling stock of low-rent dwellings, increasing socio-spatial segregation, growing gap in wealth and income between homeowners and renters and growing waiting lists for non-market social housing.

Critics of the optimistic outlook of the Creative City thesis argue that creative industries may contribute to gentrification processes by encouraging the dual-labour market. Far from a development unique to the "Creative City", the present-day critiques are reminiscent of Harvey's observations that "urban entrepreneurialism consequently contributes to increasing disparities in wealth and income as well as to that increase in urban impoverishment which has been noted even in those cities (like New York) that have exhibited strong growth" (Harvey, 1989).

This polarization, identified earlier by Harvey as a consequence of urban entrepreneurialism, was

also discussed by Sassen (1999) in her analysis of knowledge-intensive economies, whereby managerial functions “tend to be either low-paying jobs (often held exclusively by women) or very high paying positions at the top end of the managerial spectrum” (Harvey 1989). Spatially, the resulting labour and social polarization within the inner city continues to push low-income workers to live at the fringes of the city, and outward into the increasingly blue-collar suburbs.

Citing studies that document the inflation of devalued real estate in inner Chicago, Toronto, and New York, Ley concludes that the link between artists and increasing property values is “not inevitable but it is frequent” (Ley 2003). Ley presents census data for the period between 1971 and 1991, showing the temporal instability of artists’ spaces in Canadian inner-cities, and their displacement over that period, and suggests that in four major Canadian cities, “the presence of artists in a census tract has been one of the strongest statistical predictors of subsequent gentrification in that tract” (Ley 1996). Evans (2001) cites a now-famous bit of graffiti, found scrawled on a wall in Toronto: “Artists are the stormtroopers of gentrification”.

Reinvestment in the deindustrialized city can mean urban regeneration and revitalization of spaces that would otherwise fall into disuse; at the same time, these conversions of property – both in usage and building form – often lead to a revalorization of real estate which may translate into the displacement lower-income residents. Processes of residential displacement can include direct displacement, displacement through gentrification<sup>2</sup>, and conversion to condominium ownership.

These housing dislocations are particularly visible in the inner cities. Ley’s (1996) work on Vancouver in the 1980s and 1990s identified the critical rise of the condominium market, and decreasing profitability of rental housing, suggesting that “the existence of that market leads to other contexts, notably to the labour-force of the burgeoning central-city service economy that was replacing the industrial workers of declining manufacturing zones like False Creek and Granville Island.”

A less significant trend, but one strongly linked to the cultural industries, is the fate of live-work studios and lofts, commonly built with the specific intent to house active artists and new media work-

ers. Purpose-built live-work units take their cues from the more spontaneous 'loft living' strategies used, famously, by New York city artists in the 1970s and 1980s who were unable to afford a separate studio space as well as their living space (Metropolis Magazine, July 2002). A number of strategies help to protect live-work units from reversion to primarily residential usage, most notably regulations governing mandatory split-taxable assessments (with separate taxable portions for office and residential space) and restrictions on ownership. However, the incidence of residential reversion for live-work lofts and studios has been well-documented (see Zukin 1987), and enforcement is notoriously difficult. Despite provisions enacted by most cities to ensure that live-work developments are built as and remain rental properties, this type of housing tends to fall into the trap of residential reversion, becoming spaces used mostly or wholly for residential purposes rather than their original multi-function purpose, and are increasingly sought after for the cachet garnered by studio and loft-living (Zukin 1989).

## 2.6 Conclusion

Creative City planning is a relatively new thread in the range of responses to industrial change. A production-oriented perspective recognizes these changes to be a response to disinvestment and underutilization of land in the inner city (Bourne 1996): industrial location and 'reterritorialization' (moving into new spaces or, more likely in Canadian cities, the renovation of old spaces) for the use of tertiary service, cultural and ancillary business functions, results in what Hutton (2004a) calls the "attendant dislocations" of these changes, which includes the relocation of industrial functions to the suburbs. A second perspective acknowledges the entrepreneurial role of city planning, including the rise of tourism and place-marketing as the basis for a rash of 'acoutrement' improvements to the inner city, such as condominiums, 'lifestyle' amenities and services, built to attract both potential investors and the increasingly desirable sector of the middle-class who are devoted to cultural and creative production and, importantly, consumption. These two perspectives converge to identify the Creative City

as a place of highly uneven geography in terms of land use, investment, and demography.

Furthermore, the idea of the Creative City has been packaged as one imbued with inherent social values. For example, economic development and employment initiatives, are viewed as a regional benefit, and a public good. The Creative City is also heralded as one built on tolerance, diversity and inclusivity. However, the diversity inherent in the Creative City may be a result of the differential structure of the labour force, and priorities which do not necessarily include a social equity agenda. The irony is that Creative Cities are uniform in a sense, having used similar entrepreneurial strategies and tools to arrive at similar goals, though ostensibly tailored to the local specificities and conditions of place. The Creative City is ultimately derived from similar routes taken previously to ensure inter-city competition – specifically, the provision of excellent conditions to foster business and economic development. As such, the building of a Creative City leaves the city vulnerable to the very same critiques that applied to earlier incarnations of the competitive city.

# CHAPTER 3: TORONTO'S PLANNING CONTEXT



**Figure 3.1**  
West-Central Downtown,  
City of Toronto, aerial view

image from: [www.brocku.ca/maplibrary/digital/Toronto.htm](http://www.brocku.ca/maplibrary/digital/Toronto.htm)

## 3.1 Introduction

Once widely regarded as the “City That Works,” Toronto has since undergone a number of significant hardships. The steps taken by the planning department, local businesses, developers and citizens in response to structural shifts in the economy have been instructive, making Toronto an excellent case study for the exploration of creative cluster planning, its successes and its dislocations.

Toronto was built upon a traditional industrial and manufacturing economy, and is commonly recognized as the economic and financial capital for both Ontario and Canada, contributing nearly 50% to the provincial GDP, and 20% to the national GDP. Economic restructuring and its effects since



the 1970s have been particularly significant for Toronto. Changes in national and provincial priorities and funding arrangements for municipalities have changed the relationships between municipal planning departments and other actors in the city; in Toronto, these changes have been exacerbated by mandatory amalgamation of six city boroughs into a single “Megacity” in 1998. While the loss of manufacturing in the inner city has been increasingly visible, opportunities for the development of creative industries, particularly in New Media, have held out hope for the revitalization of Toronto’s economy.

Spontaneous and planned shifts in land use, development, zoning and employment have helped to transform several of Toronto’s former inner-city industrial sites, which have fallen into disuse since the 1970s. At the neighbourhood level, this has meant the revitalization of derelict industrial lands, and the regeneration of economic productivity through the creation of new economic activities within these lands. In the latest phase of post-industrial regeneration, Toronto has been on a path of ‘reindustrialization,’ reinventing itself as a “Creative City”.

### **3.2 Context: Toronto**

The amalgamation of six city boroughs in 1998 led to the creation of the new City of Toronto. For the purposes of this thesis, GTA refers to the Greater Toronto Area (the six boroughs plus major suburban cities such as Mississauga, Brampton, Pickering, and Ajax, approximating the boundaries of the Census Metropolitan Area, used for statistical analysis. “City of Toronto” refers to the amalgamated city, and “Metro Toronto” refers to the boundaries that distinguished the old Municipality of Toronto prior to amalgamation. The case study, Liberty Village, is located on the westernmost margin of Metro Toronto’s downtown core.

### 3.3 Planning a 'City that Works'

Post-war Toronto (1944-1989) became widely known as the "City that Works," built within the "wider support in Canadian society for the principle of universality and equalization in a range of basic services." (Donald, 2004). Donald notes that that Toronto's rapid economic development and spatial expansion were matched by two national trends: the centralization of financing (from local to provincial and national), and the "stabilization" of a Canadian welfare state by the late 1960s. At the City level, these strategic shifts allowed for the broadening of Toronto's planning functions to include social service delivery as well as physical land use and capital improvements. Notably, Toronto had taken a leading role in developing a city-wide public housing strategy which became the model for a national housing strategy in 1957 (Donald 2004).

A temporary shift towards social equity planning in the 1970s has also been identified in Vancouver (Hutton, 1999) and Toronto (Ley in Caulfield 1996; Ley 1997). Desire for greater residential expansion in inner-city Toronto in the 1970s was fulfilled in part through the creation of mixed-use areas, an early attempt to 'engineer' social equity, through planning models that engaged holistic and participatory approaches:

Replacing the one-dimensional attention to economic growth, [planning priorities in the 1980s] involved a more nuanced commitment to managed growth, social justice, cultural policy, and environmental quality. The harvest of such an ideology is evident in some of the planning successes of the 1970s, such as the socially mixed St Lawrence Project in Toronto, the False Creek Redevelopment in Vancouver, municipal transportation and social housing policies that promoted transit use and grassroots management, and in many successful local projects such as park expansion, public space enhancement, heritage preservation, and neighbourhood land use stabilization, often achieved in a participatory planning process with neighbourhood committees. (Ley in Caulfield 1996)

Recessions, the collapse of manufacturing, primary resources, industries, and a brief mid-1980s boom accentuated the shift towards the service economy (Bassett 1993). As written in several accounts of the rise of the advanced service sector, this post-recession period was characterized by ever-greater competition, both for investments in services and high-tech, and for the skilled technical and managerial employees. The 1978 Central Area Plan promoted the decentralization of office functions

in the core, and for a more 'multinucleated' effect; this was reflected both in physical planning, as well as in a concerted effort to maintain a diversity of economic activities in Toronto.

### **3.3.1 Industrial Decline and the Industrial Lands Strategy**

Beginning in the mid-1960s, manufacturing industry moved first to the outer edges of the city proper, and then to increasingly distant suburbs, leaving a handful of key industries in the city core, such as garment and publishing (Donald, 2002). Toronto began to take a protective stance towards its industrial lands in the 1970s. A strategy for industrial lands adopted in 1978 (two years after the 1976 Official Plan) saw to a substantial reduction in designated industrial lands, with remaining industrial land reserved for continued use, and the encouragement of new industrial employment. According to the 1986 Quinquennial Review Overview Report, the strategy:

recognized the importance of a continuing industrial function within the City and Central Area...although it was important to continue to reserve industrial land in the City, these lands should be identified on the basis of their continued viability for industrial purposes.

(City of Toronto 1986)

A "social component" to industrial planning was explicitly identified here, emphasizing job diversity within the City/Central Area. The proximity of employment and residential areas was deemed to be significant to quality of life, such that "it was considered desirable that industrial jobs be located near neighbourhoods which housed industrial workers" (City of Toronto, 1986).

Job losses in the manufacturing sector since the 1980s have been more pronounced in the City of Toronto than the GTA (City of Toronto 2000), as factories have mainly shifted out of the city's downtown and inner suburbs, and into the "905" areas of the suburbs (Toronto Employment Survey 2003). The City of Toronto has 277 million sq ft of industrial space, or approximately 40% of the industrial space in the GTA. This places the Toronto GTA 5th in North America for amount of industrial space (City of Toronto 2004g). While manufacturing remains a vital component of the city's economy, a major decline in this sector that began in the mid-1980s led planners and citizens to reevaluate future prospects for inner city land use and employment, as noted in the 1999 CityStatus report:

Within nine years, manufacturing employment went from a high of 261,900 in 1986 to 162,700 (in 1995). 1,800 manufacturing firms closed. Between 1986 and 1995, only the manufacturing sector sustained such losses. Growth was occurring in all other sectors except retail. There were noticeable shifts to a service-oriented economy. During this time, phenomenal manufacturing growth was occurring in the GTA Regions. Not surprisingly, numerous questions arose about the need for industrial land, and the city's ability to retain and even attract industries.

(City of Toronto, CityStatus 1999)

Overall employment activity in Toronto went through a cycle of change between 1986 and 2000, following a classic model of boom (+3.5% annual employment growth between 1986 -1989), bust (-2.6% between 1990-1996), and recovery (+3.0% between 1997-2000) (City of Toronto 2003). Pressure to reestablish a solid economic and employment base and ensure its security followed this period of recovery.

Manufacturing remains the second-largest employment sector in the GTA, most significantly in the production of aeroplanes, computers, electronics and auto parts. Its role in the inner city has been disputed, though certainly inner-city manufacturing sites are not viewed as 'growth industries'. Since the mid-1990s, the office sector has comprised the largest share of employment in the City of Toronto. In 2003, the office sector accounted for 45.7% of all employment, followed by manufacturing (13.6%), institutional, service and retail. The City of Toronto estimates that it has 114 million sq.ft of office space in the downtown core, or 73% of all office space in the GTA (City of Toronto 2004g).

A downward trend in employment has been noted in more recent years as well. The City recorded an average annual employment decline of 1.0% between 2001 and 2003 (City of Toronto, 2003). In the last five years, office, service and manufacturing have all experienced a decline (City of Toronto 2004g). A 2004 report by the Federation of Canadian Municipalities states that "while regional employment is growing, the number of jobs in the city is shrinking". The report also points to an increase in unemployment among visible minorities and youth, and a shift towards less stable forms of employment such as part-time and contract work. For example, there was a decrease in full-time workers from 85.4% to 84.4% between 1999 and 2003 (Federation of Canadian Municipalities, 2004).

Ley (1997) notes as well that employment restructuring throughout the 1980s and early 1990s led the rise of a new 'class' of workers, suggesting a resultant "polarization of closely integrated housing and labour markets where the growth of a new class of professional and managerial workers has been accompanied by inflating inner city land values, while the simultaneous growth of poor-paying service jobs and higher unemployment rates are associated with diminished bidding power in the housing market for less privileged citizens." Since then, new definitions have been put forth for a "new middle-class" workforce (Florida 2002) whose characteristics coincide with an increasing emphasis on technology, creativity, culture and lifestyle in planning.

## **3.4 World City Toronto: new media and the Creative City**

### **3.4.1 Creative City Planning**

Toronto has long been touted as a "world-class city", based on global networking definitions which focus on the concentration of corporate headquarters (Friedmann 1986), productivity (Sassen 1991), and speed and densities of monetary and immigrant flows. As the financial capital of the nation, it is one of very few Canadian cities that comes close to world- or global-city status; in these hierarchical schemes, Toronto typically ranks as a second-tier city (Friedmann, 1991; Sassen 1989). The promotion of Toronto as a world-class city has been evident at least since the mid-1990s, with the rise of the advanced service sector and gains in office employment. In recent years, the municipal government and planning departments have also explicitly promoted Toronto as a 'creative city'; the assumed convergence of culture and economics in the post-industrial era ensures that these two images of the city, financially successful and culturally sophisticated, do not conflict.

The 2001 Economic Development Strategy clearly lays out Toronto's priorities for the new decade. This strategy exemplifies how planning for the competitive global city has occurred, encouraging entrepreneurialism, and specialization of local productive knowledge-based functions. The strategy focuses on:

- Building knowledge industries
- Enhancing quality of place (to attract investors)
- Identifying export and local economic growth as essential elements for long-term prosperity
- Establishing competitive clusters
- Supporting entrepreneurial communities
- City-Branding / Place marketing
- Mobilizing resources through partnerships

Many of these same priorities are also evident in the planning of creative cities. In Toronto, the shift towards cultural industries has been explicit. Over 36% of Toronto workers are said to be part of the cultural-creative workforce: this workforce has been rather widely defined as those working in “knowledge-intensive industries” including film and publishing, information technology, biomedical research, education and new media (City of Toronto 2003b). By this definition, six of the ten ‘key industry clusters’ currently identified for the city can be considered cultural industries, including the Information and Communication Technologies cluster, of which new media is a subset.

Studies conducted over the last ten years indicate that Toronto has become a central hub for the Information and Communication Technologies (ICT, or the New Economy), on local, national and international scales. The new economy includes high-tech, creative services, new media, and other ICT-based businesses.

Over 50% of all ICT companies in the Greater Toronto region are located in the City of Toronto. This cluster includes jobs in services (46% of all ICT jobs in Toronto), development (34% of all ICT jobs) and manufacturing (8% of total ICT jobs), and accounts for about 5.5% of employment within the Toronto CMA. The cluster boasts annual sales of over \$32.5 billion, and annual exports of over \$6.2 billion. (City of Toronto 2004h).

Within this cluster is the new media sub-cluster. Toronto has been found to be the largest centre of multimedia activity in Canada (Brail, 1997), and the fourth-largest in North America (PLEDC 2002), with an estimated 60% of all new media firms in the Toronto Region located in the City of

Toronto (City of Toronto 2004h). The most significant clusters (defined by concentration of firms, amount of total productive activity) can be found along the King Street corridor: this includes “The Kings” (King-Spadina, King-Parliament) in the downtown core, and Liberty Village (King-Strachan), in the westernmost portion of the core.

It would be difficult to ignore the influence of Richard Florida’s work (2002) in popularizing the notion that “creativity” should be at the heart of planning strategies to jumpstart stagnating urban economies. Toronto, for example, responded with the development of a cultural policy report, *Culture Plan for a Creative City* (2003). Toronto’s Cultural Plan aligns with suggestions put forth by Momaas (2004): first, that creative policies have shifted away from the goal of redistributing resources within a vertically-organized public arts sector<sup>1</sup>; and secondly, that the primary focus is no longer the organization of spectacles and festivals, but rather “a more fine-tuned and holistic policy, also aimed at creating spaces, quarters and milieus for cultural production and creativity.”

Recommendations from the Culture Plan include biennial ‘benchmark’ reports to City Council on a range of ‘cultural’ areas, including tourism, citizen participation in cultural events, cultural sector employment, contribution of the cultural sector to the GDP, investment and funding for arts and culture, ranking on Florida’s Creativity Index (2002), and preservation of heritage sites. Further to this, \$233 million was earmarked in 2001 to finance seven capital projects intended to “boost culture in Toronto” (City of Toronto 2003b), and to support the creation of an appropriate creative milieu that would attract and house the incoming cultural workers<sup>2</sup>.

### 3.4.1 Urban Regeneration and Land Use

The shift towards cultural production in the “creative industries” was well-timed. While measures were initially in place to protect outright the dwindling traditional functions of industrial lands, pressure for developing the derelict land for office use began to mount throughout the 1980s, amid

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<sup>1</sup> Part of this shift is due to the restructuring of and reduction in public funding for arts. A 2001 report by the Toronto Arts Council (Great Arts=Great City) estimated total operating revenues for the Toronto not-for profit arts sector to be \$215 million, leaving a \$45 ‘gap’ in funding needed to sustain the organizations.

observable trends in the core: rising land values, decreasing office vacancies, and diminishing land availability. The city's shift in focus for future economic development can be identified in part by the change in nomenclature in the Official Plan, wherein lands formerly designated as "Industrial Lands" became renamed "Employment Lands."

Inner city industrial sites, vacated and deteriorating, provided a valuable land resource for the city. The City of Toronto began to experiment with flexible zoning in the mid-1990s, notably in the King-Spadina and King-Parliament ("the Kings") areas (Spadina Bus Association 2002; City of Toronto 2002). This zoning change has been cited as one of the key factors leading to the development of a significant new media cluster in that part of the city, and this deregulated planning approach was later replicated in other regions of the city, including Liberty Village<sup>3</sup>.

### **3.4.1 Social planning, political contexts, and changing governance**

Contemporary planning practices can be distinguished from earlier eras. The traditional domain of urban planning remains zoning and land use, transportation, housing, and social welfare considerations which relate to these categories; however, these 'rational' planning models have more recently given way to include strategies which focus on planning processes of community development, access and participation (Sandercock, 1998; Momaas 2004). While there remains a greater focus on consul-

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<sup>2</sup> The Spadina Bus association (a now-defunct social and business networking organization serving the new media workers in "The Kings") put out a survey of Toronto's new economy in February 2001, just as the effects of the dot.com crash were coming into full effect. They found that:

- There are an estimated 75,000 people working in Toronto's new economy.
- Computer programmers and software developers account for nearly one-quarter of Toronto's new economy jobs.
- More than 90 per cent of jobs in this sector require post-secondary education.
- The average age of employees is 31. This is relatively youthful compared to the fact that over 60 per cent of Canada's working population is 35 years and older.

(SpadinaBus Survey, 2001)

<sup>3</sup> Many of these industrial lands, including Liberty Village, can be found on waterfront property, where demand for both residential and public space development is typically high. Citing the success of The Kings approach, the option to renew several of these sites has been incorporated in the development of the City's Waterfront Revitalization Strategy



tative, process-oriented perspectives that characterize city planning in Canada today, a shift towards entrepreneurial city planning (along with a weakened ability to provide for social services) has been witnessed in Toronto and elsewhere (Donald 2002; Ley 1997).

Donald suggests that the shift to entrepreneurialism, associated with planning in the 1970s and the advent of inter-urban competition (Harvey 1989; Kipfer & Keil 2001), has even earlier roots in Toronto. Donald's historical account of Toronto planning indicates that Toronto since the 1960s has been engaged in 'entrepreneurial' style of planning. This entrepreneurialism also featured public-private partnerships, but was characterized by strong municipal leadership and fiscal support from upper-level governments, providing a solid structure within which to balance economic development and social welfare priorities. Economic development was steady during this time, and Toronto's model for social housing developed in the late 1950s was adopted as a national social housing program (Donald 2002). This entrepreneurial planning structure also helped Toronto go against the grain in continuing to support social programs throughout the fiscally conservative 1980s (Donald 2002).

However, political and structural changes that more directly affected municipalities and planning departments have occurred since the 1980s. Across Canada, there have been concomitant shifts throughout 1990s in national and provincial political agendas and governance structures, which have pushed many social and economic responsibilities to the municipal level without a parallel increase in funding or power (Globe and Mail editorial, February 2, 2004; Federation of Canadian Municipalities).

Conservative political agendas have exacerbated the issue. Elected in 1999, the Provincial Conservative's "Common Sense Revolution" changed many of the very things that Donald identified as key measures in the 1960s and 1970s "City That Works": the lauded centralized fiscal structure, independent two-tiered municipal governance, and a broadened municipal function to include social service provision were changed by cuts to transfer payments from the Province to municipalities, compulsory amalgamation to create the new City of Toronto (by 'streamlining' six governing bod-

ies into a single one), implementation of workfare, and major cuts in support to a variety of social programs. As in the 1960s and 1970s, decisions made at the national level are also fundamental to municipal planning regimes. The downsizing of the national social housing program is exemplary. Federal funding for new social housing ceased in 1993, and funding for Ontario social housing followed suit in 1995. Not surprisingly, the provision of an adequate social welfare network at any level of government has decreased even as these responsibilities have mounted.

### **3.4.1 Growing Inequality**

Indeed, a spectre of growing inequality haunts the City of Toronto. Unsurprisingly, many of the neighbourhoods that surround former or underused industrial lands, ripe for urban regeneration, can be characterized by some or all of the typical determinants for residential dislocation. In a research project conducted by the Centre for Urban and Community Research and St. Christopher's House on housing dislocations in west-central Toronto neighbourhoods, including Parkdale, characteristics associated with residential displacement were outlined as follows:

- older inner-city neighbourhoods
- high proportion of "life-long renters"
- asset-rich but cash-poor homeowners, facing increasingly high maintenance costs, utility bills, and property taxes
- lack of policies which ensure the production of new rental housing
- aging rental housing stock

Income gaps in the city are also telling: in 1995, Myles and Picot (1995) identified a discernible gap between high-income and low-income neighbourhoods in Toronto, noting that while most low-income neighbourhoods did not fall far behind middle-income neighbourhoods, the high-income neighbourhoods had "very high incomes relative to middle-income neighbourhoods". Furthermore, "a significant number" of neighbourhoods that were not low-income in 1985 had become low-income by the time of the report. These figures have not improved: according to 2001 statistics, the number of Toronto neighbourhoods in poverty rose from 46% of all 147 Toronto neighbourhoods in 1981 to

66% in 2001; the number of families and individuals living in poverty also increased between 1991 and 2001 (31.6% increase in number of families; 5.3% increase in number of individuals). With these figures, Toronto has been shown to have the widest gap between rich and poor of any city in Canada (Toronto Community Foundation, 2004). There is a geographical basis to this inequality as well, as inner suburbs are experiencing the bulk of this increase in poverty (United Way of Greater Toronto, 2004).

# CHAPTER 4: LIBERTY VILLAGE CONTEXT

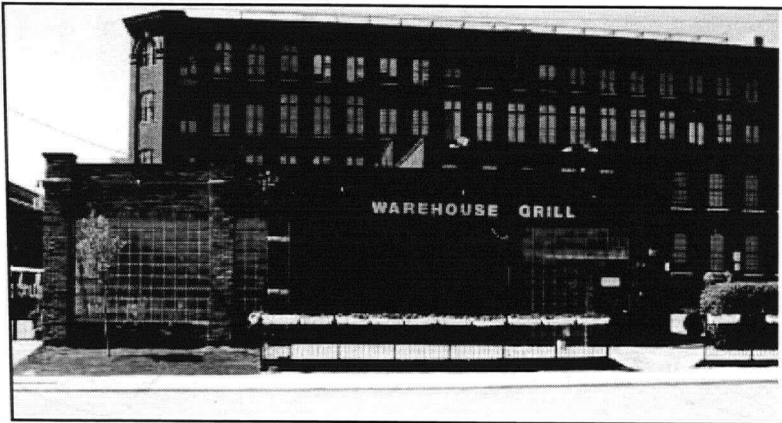


Figure 4.1 Warehouse Grill, a converted amenity space in Liberty Village

## 4.1. Introduction

As the nation's industrial powerhouse, Toronto was strongly affected by the decline in manufacturing since the late-1970s. Toronto's responses to change in economic structure may have significant influence on the decisions of other Canadian cities that have traditionally relied on factory employment and production. The development of a new media cluster in Liberty Village, Toronto, fits into Toronto's broader goal of remaining a competitive contender on local and global scales, and in further reimagining itself as a culturally and economically viable Creative City in the post-industrial era.

Liberty Village located in Toronto, Ontario, was once a key site for manufacturing employment. The changes that have taken place since the decline of inner-city manufacturing in Toronto, and particularly the promotion of Liberty Village as a creative new-media cluster, provides the basis for an excellent case study for this thesis.

Employment remains the primary focus of the Liberty site; however, the area has changed dramatically from its original employment base of manufacturing and heavy industry. Today, Liberty Village stands as a significant cluster of new media and other creative office-based activity, and is viewed as a desirable location for 'cultural creatives' to find employment.

Like many such sites, Liberty Village is surrounded by a diverse, low-income neighbourhood. The economic-aesthetic focus of Liberty Village's 'redevelopment' has been beneficial in establishing Liberty Village as a viable site for employment, but less beneficial to Parkdale residents, who have a long history of problems with regards to poverty, housing vulnerability, and unemployment.

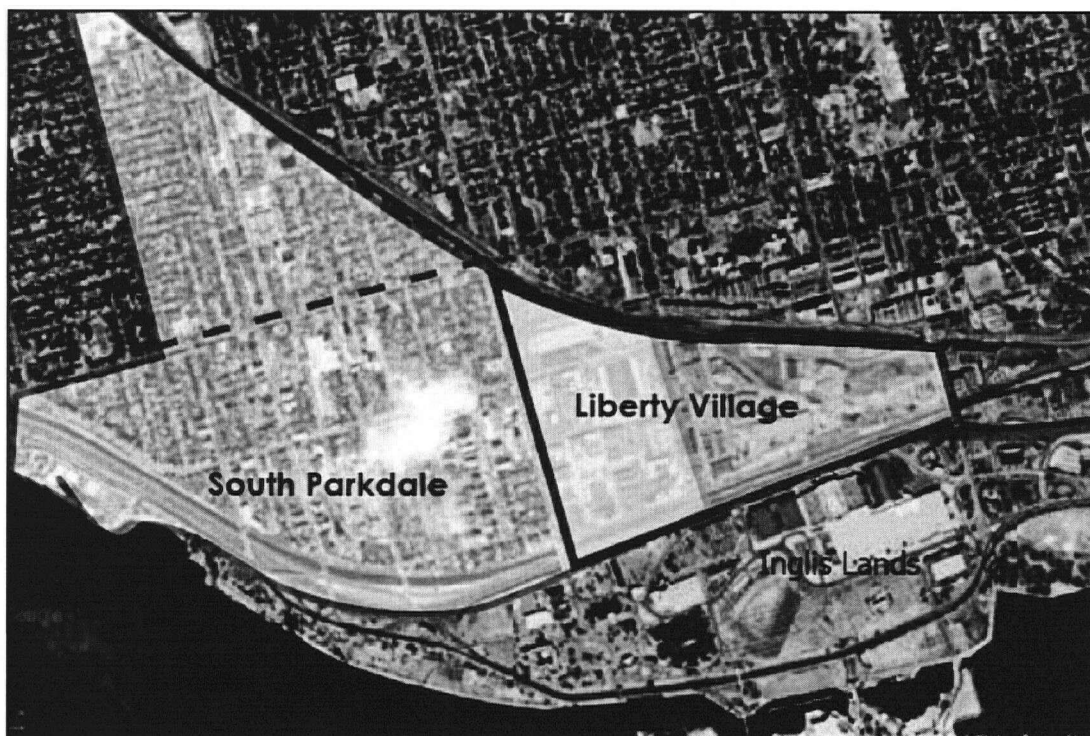


Figure 4.2 Boundaries of South Parkdale and Liberty Village, Toronto.

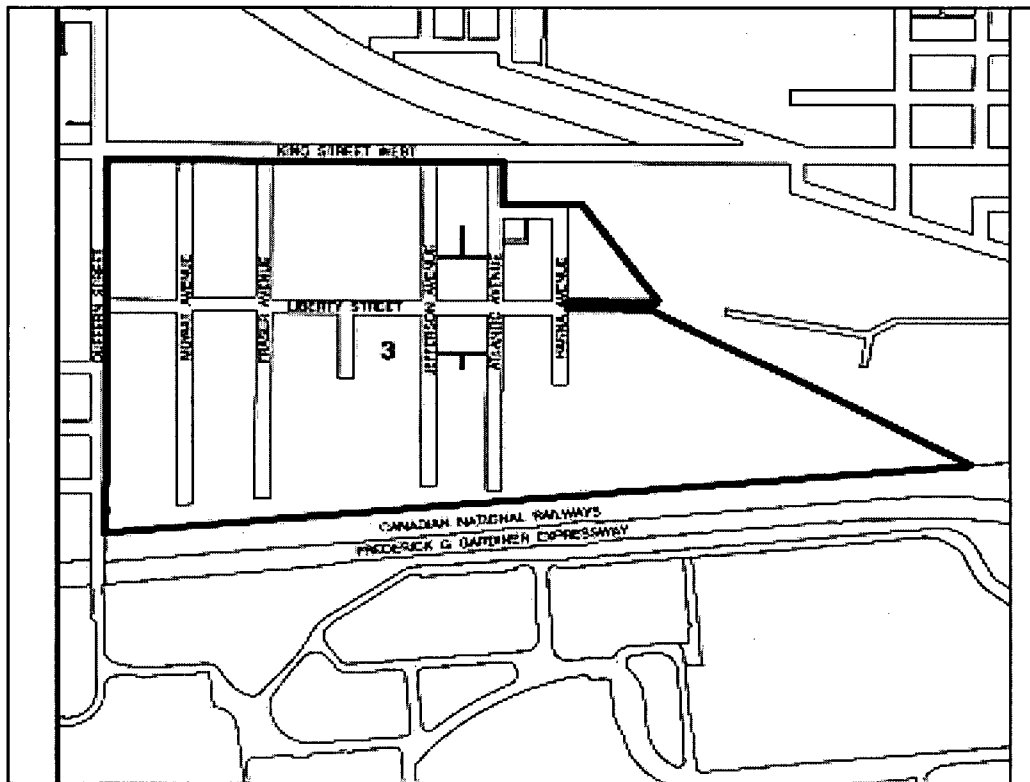
## 4.2 Geographical Context: Liberty Village, the Inglis Lands and South Parkdale

For statistical purposes, the case study site is referred to as “Liberty”, and includes Liberty Village and the former Inglis manufacturing lands (adjacent to Liberty Village, to the east). Both Liberty Village and the Inglis Lands are included in the Garrison Common North Secondary Plan, under Area 3 (Liberty Village), Area 4 (Inglis Lands and Hanna Avenue Technology District) and a portion of Area 2 (see Figure 4.3).

Liberty Village is a 45-acre brownfield site located on the western edge of Toronto’s Downtown Core, and in the south-eastern corner of the South Parkdale neighbourhood. Inglis and Hanna Technology District are part of the Niagara neighbourhood<sup>1</sup>, bounded by Queen Street, Bathurst Front Street and Atlantic Avenue. The area also includes Fort York Historic Museum, a stretch of the Gardiner Expressway, and the Canadian National Exhibition grounds. The Gallery District is centred along the portion of Queen Street that borders this neighbourhood. Heading eastward towards Bathurst, the area becomes increasingly residential.

Liberty Village is part of the South Parkdale neighbourhood. Located to the west of the downtown core, Parkdale was one of Toronto’s earliest ‘streetcar suburbs,’ considered at the turn of the century to be one of the most desirable places to live in Toronto. The Gardiner Expressway was built in the late-1950s, cutting off the southern portion of the neighbourhood from Lake Ontario. In comparison to the GTA as a whole, South Parkdale<sup>2</sup> is a low-income and low-homeownership neighbourhood, with a high proportion of immigrant residents. This ethnically-diverse neighbourhood is a ‘gateway community’ for many newcomers seeking affordable rental housing in proximity to the downtown, and to the types of jobs most readily available to new immigrants without Canadian credentials or work experience.

Parkdale is largely residential, with a number of significant retail and commercial strips along main streets such as Queen Street, King Street, Dufferin and Roncesvalles. The Queen Street Centre



**Figure 4.3 Map detailing Liberty Village boundaries, from the Garrison Common North Official Plan, City of Toronto, 2001.**

for Addictions and Mental Health is a notable institution in the area, as well as a major source of local employment.

Strong social service and community organizations in the surrounding Parkdale area provide a countering force to the social problems presented by a high incidence of poverty, homeless and vulnerable populations in the area.<sup>3</sup> Rising real estate values provide yet another challenge: for example, Parkdale has been the centre of long-standing controversy around proposed ‘crackdowns’ on the

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<sup>1</sup> Part of the Trinity-Spadina ward. Separate geographical divisions are made for politics (wards), census surveys (tracts, enumeration areas and dissemination areas) and city administration (neighbourhoods). Further geographical boundaries are set by various zoning regulations.

<sup>2</sup> Area-based organizations such as the Parkdale/Liberty Economic Development Corporation include North Parkdale (between Queen and Dundas) in their scope as well. North Parkdale is also a predominantly residential area, though one that is consistently more affluent than its South Parkdale neighbour, perhaps having caught on more quickly to the westward movement of arts- and condo-driven development found on west Queen Street West (also known as the Gallery District).

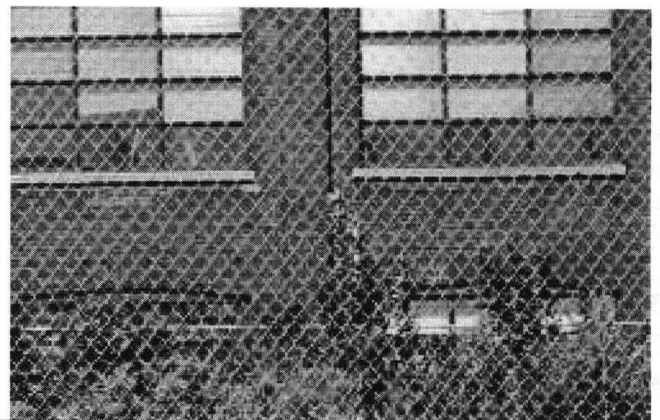
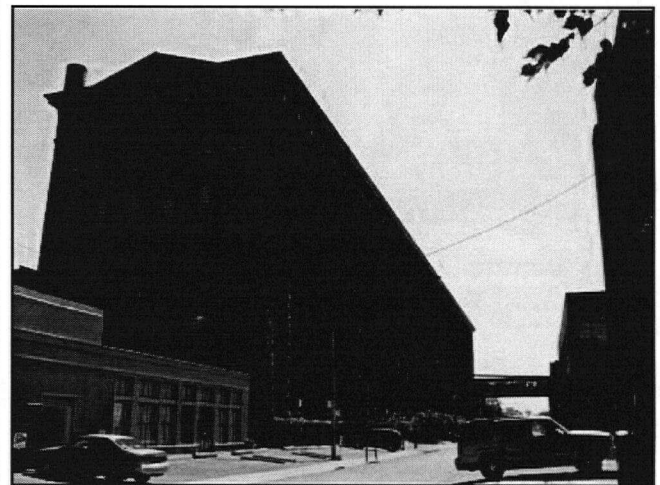
single-occupancy rooming houses and 'bach-elorette' suites found throughout the neighbourhood, sometimes illegal and often substandard. Tensions mounted between low-income housing advocates, a middle-class homeowner's association and the city (for details on this case study, see Slater 2003, and Eye Magazine, 2000).

### 4.3 HISTORY

Liberty Village was once part of a thriving industrial site known as the Garrison Common. These lands were once home to such manufacturing and industrial plants as Inglis (electrical appliances and components), Massey-Ferguson (agricultural implements), Toronto Carpet Manufacturing Company, Irwin Toys, and Dempster's Bread (Artscape, 2004; PLEDC 2002). At its peak in 1950, manufacturing and industry in the area employed approximately 5,000 people (Toronto

**Figure 4.4. 4.5, 4.6 Heritage buildings and preserved signage pay tribute to the history of the site: (from top)**

**Massey-Ferguson Manufacturing (houses the King West Fitness Centre); Toronto Carpet Manufacturing Company (houses the LVBIA, law offices, graphic design firms, and others); Shipping Cases Paper Company.**



<sup>3</sup> Parkdale is the site of the Queen's Street Centre for Addiction and Mental Health, an institution of significant size. Several authors point to Province-wide Conservative strategies set in place since the mid-1990s, which have resulted in the mass deinstitutionalization of patients into the rooming and boarding houses in this and other surrounding neighbourhoods.



Employment Survey 2003; LVBIA 2003).

From the mid-1970s onwards, warehouses and factories in Liberty Village closed down one by one, as part of a more general decline of manufacturing activities in the inner city. A classic pattern of arts-driven revitalization (Ley 2004) tells part of this tale of change: artists moved in, drawn by cheap rents and abandoned buildings with historic and aesthetic architectural value, thus helping to raise the cultural value of the site. The creative economic activity that now characterizes the site began in the early 1990s, while identification of the site (and self-identification of its users) as a creative/new media cluster began in earnest in the mid-1990s, during the rise of the dot.coms, a technology-driven period of economic boom which peaked in 1999-2001 (see Table 4.1 for a listing of landowners and major

leaseholders on the site).

<b>Key businesses and organizations in Liberty Village</b>
Adobe Systems
Artscape head office and live-work studios
Corus Entertainment – YTV, Nelvana, Q107, etc.
BMG/Sony Music
ExtendMedia
SoftChoice
TUCOWS
<b>Key Landowners</b>
City of Toronto
Toronto Economic Development Corporation (TEDCO)
Toronto Carpet Factory
Also: the Artscape building holds leases on City-owned property for 48 individual artist studios at below-market rents.

**Table 4.1 Some Major Businesses and Landowners, Liberty Village. A full business directory for the area is pending (LVBIA 2005).**

Interviewees generally agreed that the initial movement of creative industry into the site was not a planned process, per se.

It was initially [spontaneous], yes, definitely. Definitely, it was. I think now there's a lot more – we're going out, and being a lot more aware of it. Initially it came in just simply because of cheap rents. It was as easy as that.

(Local Economic Development representative, personal communication, 2005)

A combination of the vacated factories, a bottomed-out real estate market (resulting in land prices as low as \$5/sq.ft), proximity to the downtown/gallery district, and reluctance to tear down the billboards left the land in a limbo state:

This area in the late 80s was pretty much an abandoned industrial district. It was in serious decline and disuse. If it weren't for the—well, two things. Artists started moving into these buildings, in droves, reclaiming them. And the signs, the billboard signs – you know, it's like a forest of

those signs if you drive along the Gardiner – they generate millions and millions of dollars in revenue– you can't really tear down the buildings without removing the signs and removing that source of revenue. So, interestingly, it was that combination of artists moving in, and those signs, that saved this area from being flattened and turning into a residential development.

(-Non-Profit Organization, personal communication, 2005)

In fact, planning strategies worked alongside the more 'organic' changes already in progress in Liberty Village. The implementation of flexible zoning "experiments" in the mid-1990s enabled relatively rapid development of viable economic activity, initially in "The Kings" (Spadina Bus Association 2002; City of Toronto 2002) and later in a handful of other areas designated for "employment" or "regeneration", including Liberty Village. Planning strategies that encouraged further development of the site included zoning changes, a focus on the retention of employment functions for the land, and the City's role in developing Liberty Village business and industry organizations, and encouraging new partnerships which supported the area's self-identification as a cluster.

#### **4.3.1 Zoning Changes**

The Official Plan for Liberty Village and Inglis Lands is found in the Garrison Common North Preliminary Plan (1996) and its more recent incarnation, the Garrison Common North Secondary Plan (City of Toronto 2000; 2002). The Plan outlined major and specific objectives for the site including a variety of land uses and densities, and a range of housing types compatible with past industrial and new high-technology character of the site:

...To be sensitive to and protect industrial, communications and media operations, solidifying the area as one of the leading locations for new industry technologies  
(Official Plan Section 14.2.1e., City of Toronto 2000)

The area continued to develop during the period of city-wide recovery from economic recession between 1997-2000. During this time, high tech industries led the demand for Toronto's office space, as vacancy rates in went as low as 5.1% in the GTA and 3.1 per cent in the downtown core (Wyatt 2002).

## 4.4 Conclusion

The experiences of Liberty Village, a transforming industrial site in downtown Toronto, provide a convincing example of the growing influence of cultural employment in urban development and redevelopment. By these accounts, and in contrast to the statistics collected for Parkdale and for Toronto as a whole, Liberty Village has been a successful and impressive inner city regeneration project for the City of Toronto.

But neither is the development wholly positive. Planning for creative and cultural industries in Toronto can be viewed as the latest phase in a broader trend of competitive world-city planning, in which economic development and successes in the inner city have sometimes come at the cost of local social inequity, municipal planning control and more holistic planning practices. Economic successes resulting from the (re)generation/ revitalization of Liberty Village over the last ten years are noteworthy, and appear to be stable and responsive to change; however the site does not operate in isolation. As the case study will show, gains in employment and Creative City credibility are countered by a number of spillover effects on Parkdale, the working-class neighbourhood which surrounds the site.

# CHAPTER 5: CASE STUDY RESULTS



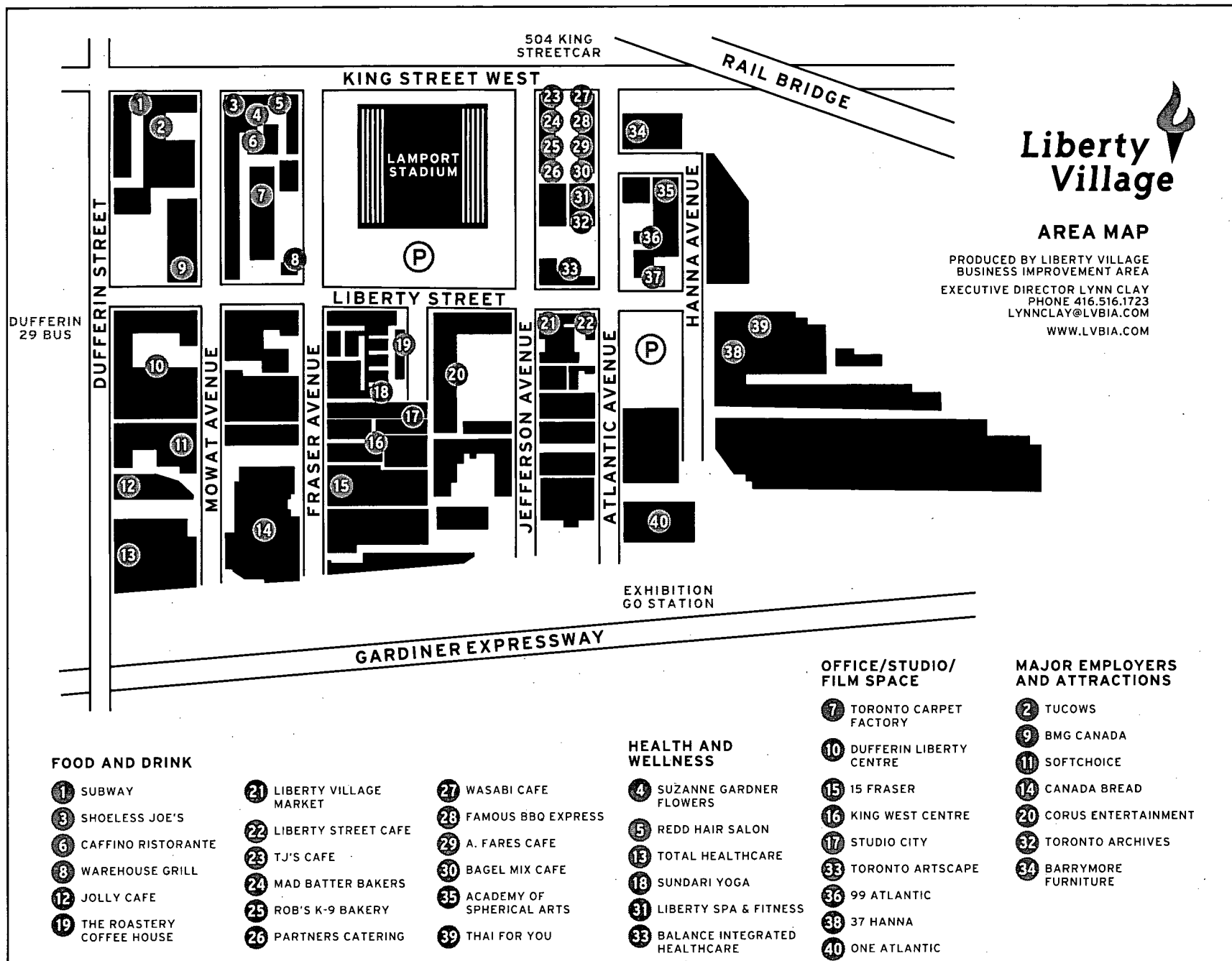
**Figure 5.1 Contrast between old and new development, western edge of Liberty Village**

## 5.1 Introduction

Liberty Village, an inner-city brownfield site in Toronto, provides an excellent case study of an inner city project for urban regeneration, centred around creative industries. Regeneration of Liberty Village has relied in part on the role of planned changes to the site, including city-driven changes to zoning, retrofitting existing buildings, improvements to quality of place, and the organization of public-private partnerships with industry, community and businesses.

Evaluation of the successes of urban regeneration projects typically focus on the quality of a site's performance, where performance markers may include increased employment, improved amenities and capital infrastructure, new or renewed interest in investment and development in the area, and the affluence of residents. Based on these criteria, Liberty Village has been called a successful regeneration project. That said, when the scope of effects of cultural industrial planning for Liberty Village is broadened to include Parkdale, the surrounding residential neighbourhood, a different set of criteria for evaluation emerges. This chapter presents, accordingly, an analysis of both *in situ* and proximate impacts of redevelopment.

Figure 5.2 Liberty Village Business Area Map (LVBIA 2005)



## 5.2 Changes to the Site

### 5.2.1 Site Employment<sup>1</sup>

Between 1995 and 2001, employment in Liberty Village increased by 180% (to 4609 jobs), which accounts for 59% of all employment in the Parkdale-Liberty region in 2001; this is a significant feat for such a small site.

The steady rise in employment in the study area was led principally by growth in office-based employment in Liberty Village (PLEDC 2002). Office-based employment encompasses a wide range of jobs, which includes clerical, technical, managerial and other types of work. Today, employment in Liberty Village is overwhelmingly office-based in comparison to the city as a whole (83%, compared to 51.4% in Toronto).

As indicated in the site assessment of Parkdale-Liberty Employment by the Parkdale-Liberty Economic Development Corporation, "job growth in Parkdale-Liberty has increased since the mid-1990s, with most new employment growth centred in Liberty Village" (PLEDC 2001). In fact, when figures from Liberty Village are excluded from the total assessment of Parkdale, we can see that between 1995 and 2001, there was a 7% increase in Parkdale employment (218 jobs), nearly all of which came from an increase in insitutional employment (211 jobs).

Total employment in Liberty Village (4639) represents about 59% of all employment in the Parkdale/Liberty area (7,832 jobs). This latter figure nearly doubles when employment from the neighbouring Inglis Lands are included. Office employment in Liberty Village represents 76.6% of all office

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<sup>1</sup> Data from the Toronto Employment Survey and Toronto Urban Development Corporation allow for site-specific analysis of employment change, while Census data (for example, on income, education and occupation) gives information about the profile of residents in the areas of interest.

<sup>2</sup> The presence of Queen Street Centre for Addictions and Mental Health in Parkdale accounts for much of the Institutional employment in Parkdale (38% in 1995 and 43% in 2001). Excluding institutional employment from Parkdale statistics, we can see that percentage employment between 1995 and 2001 has fallen slightly in office (from 26% to 22%), retail (26% to 21%), risen for manufacturing (9% to 13%), and stayed relatively stable for the service sector (23% to 24%). See Appendix for Parkdale statistics.

### Liberty Village Employment by Sector, 1995-2001

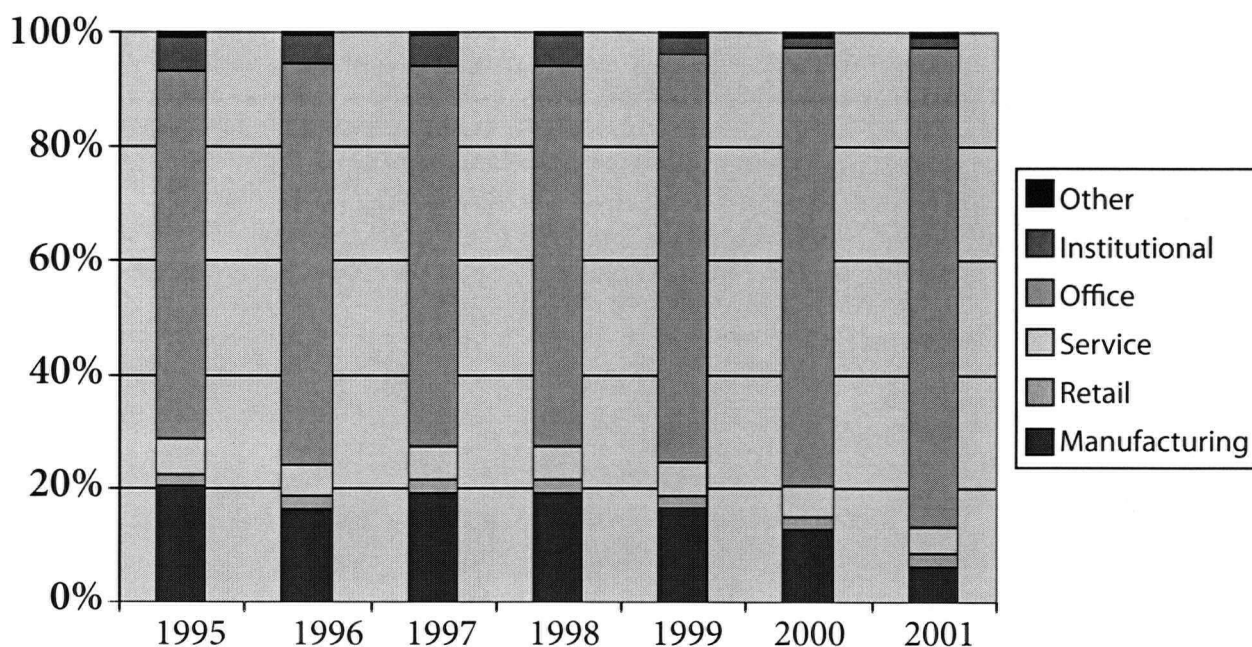


Figure 5.3 Employment by Sector in Liberty Village (Toronto Employment Survey, 2003)

Number of Cultural Establishments, Liberty Village, 1995 - 2001	
Year	# Establishments
1995	248
1996	257
1997	245
1998	246
1999	214
2000	218

Table 5.1 Cultural Production/Creative Industries in Liberty Village: total number of establishments See Appendix A for industry definitions. (Toronto Economic Development Corporation, 2005)

employment in the Parkdale/Liberty area

(City of Toronto 2003; see Figure 5.3. See Appendix for Table)<sup>2</sup>.

#### 5.2.2 Employment breakdown

The total number of cultural-creative establishments in Liberty Village reached a peak in 1996 (257 establishments; see Table 5.1 for cultural employment; see Appendix A for City of Toronto activity codes), and experienced a sharp decline 1998 - 1999 (from 246 to 215 establishments). Since then, the figures have improved slightly. In 2003, an estimated 58% of all jobs in Liberty Village (or 34% of total employment in Parkdale-Liberty) could be found in creative, cultural and/or high tech industries;

<b>Liberty Village: Cultural Employment, 2001</b>		
<b>Type of cultural employment</b>	<b>% jobs</b>	<b># jobs</b>
<b>Cultural production firms</b> (publishers, film and TV studios, related production firms)	27	1348
<b>Computer and Business Services</b>	21	1061
<b>Photographers/graphic artists</b>	6	317

**Table 5.2 Cultural/Creative Employment in Liberty Village: number of employed (PLEDC 2002)**

these 2726 jobs are derived from total of 222 cultural-creative establishments (see Table 5.2).

### 5.2.3 Investment and development

Investment and redevelopment in Liberty Village have been key to the area's economic successes. Increases in property value and developer interest attest to this success.

According to the LVBIA, the commercial to residential split in Liberty Village is about 80-20, with a preponderance of non-retail businesses in new media, communications, sign, art and culture. The BIA cites a growth in number of retail businesses in the area, however, likely in anticipation of the income-condo residents.

<b>Property Class Average CVA Change in Toronto, Valuation Date 2001-2003 (%)</b>	
Residential	+14%
Multiresidential	+15%
Commercial	+4%
Industrial	+10%
All Classes	+12%

**Table 5.3 Current Value Assessment (CVA), Average Percentage Change in City of Toronto, 2001 - 2003**

Property value in Toronto is given by MPAC's annual assessment of average sales in the area (see Table 5.3 for City of Toronto CVA change between 2001 and 2003).

Market rents for office and industrial space in Liberty Village have increased dramatically since



the late-1980s; at \$16-\$25/sq ft (LVBIA 2004) current rates rival those of the average rent in the GTA (\$24/sq ft), but remain well below that of Toronto's downtown core (\$40/sq ft) (Royal LePage, 2005). The 2004 assessment for Liberty Village shows surprisingly modest figures: in 2003, the CVA for Liberty Village increased by 8.4% from 2001, to a value of \$164, 618,185 (LVBIA 2005; see Table 5.4); this fell below the average increase in GTA for industrial class (10%) or all classes (12%).

In 2003, Parkdale was cited as one of the three "hot spots" in Toronto that showed property value

<b>Liberty Village Info Sheet</b>	
# properties	109**, zoned commercial or industrial
# businesses	345 (employing 4,356 full and part-time employees)
Market rent (1989):	\$5- \$7/sq. ft
Market rent (2003):	\$16 - \$25/sq. ft
CVA (2003):	\$164,618,185
Annualized 2003 tax contribution:	\$4,784, 647

**Table 5.4 Liberty Village Business Improvement Association Info Sheet (LVBIA, 2005)**

**\*\*as of 2003, the Irwin Toy Factory land is zoned residential**

increases over the 2000 assessment that were significantly above average. Rising rental rates for residential, commercial, and live-work space indicate an increase in property value: Square Feet (2001), a document targeted towards helping artists find affordable spaces to rent and buy in Toronto, found that Parkdale's 2001 rental rates for studios (\$12/sq.ft at the low end of the scale) ranked higher than most of the "artist enclave" neighbourhood profiles – second only to King-Spadina, the site of The Kings new media cluster.

## 5.3 Neighbourhood Change

The surrounding neighbourhood is also undergoing development. Increasingly, Parkdale-Liberty is seen as a desirable location for 'lifestyle living', due to its proximity to waterfront; accessibil-

ity (located along well-frequented public transportation routes); heritage (buildings with industrial character and architectural heritage), and other amenities (including facilities from neighbouring Parkdale, and the appearance of new cafes, restaurants and entertainment venues). Here, I look to increased developer interest and improvements in housing quality as key indicators of neighbourhood change.

The majority of new private residential developments in and around Liberty Village are occurring along King Street, and south of King on both sides of Strachan (bordering the Liberty Village site). Targeted as they are to a 'lifestyle-oriented' demographic (Toronto Star, Condo Life, 2002), the nearby residential developments may also benefit Liberty Village employers, by providing a "ready source" of creative industry employees:

We, as employers and property owners, are looking for a source of employees, so this is a ready source....And the people who are moving in here are looking for employment opportunities. So this is a very good mix, really, for the neighbourhood, in order to be self-sustaining.

(LVBIA, personal communication, 2005)

In 2003, the area also saw the appearance of a centrally-located 24-hour Dominion grocery store in a small plaza also housing a bank, a video store. These key neighbourhood amenities await the imminent appearance of new residents from the edges of the site, as well as the tenants in the Toy Fac-

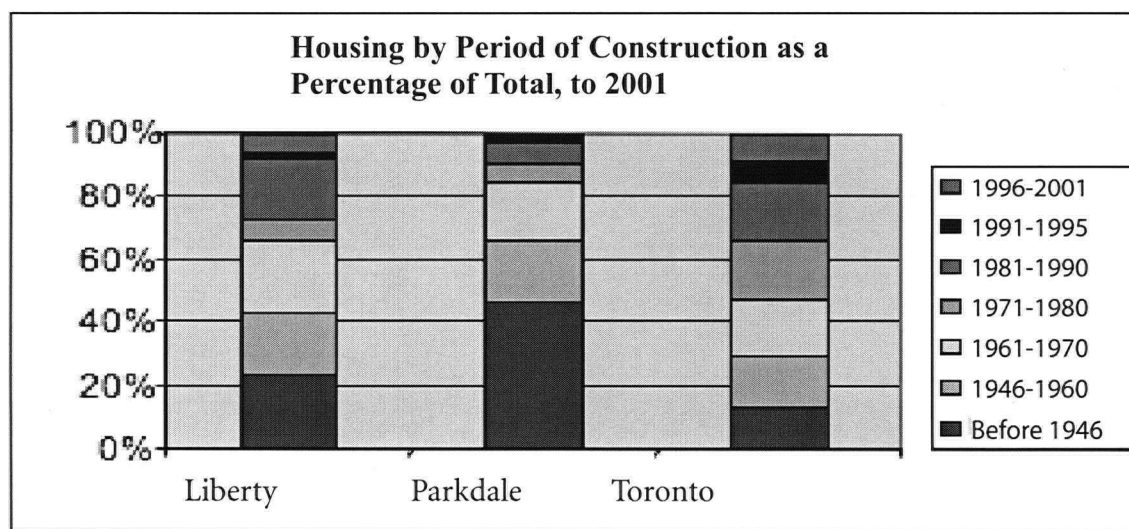


Figure 5.4 Housing Construction in Liberty, Parkdale and Toronto, by period of construction

tory loft development in the heart of Liberty Village. The marketing of Liberty Village as a neighbourhood with high quality of place helps to attract further investors and development.

Recent Housing Developments, Liberty Village and immediate area, 2005			
	Location	Project	Price
Liberty Village Town Homes	Strachan Ave @ East Liberty	467 units Stacked 4-storey condominium townhomes	\$256-\$361/ sq ft
Battery Park	Strachan Ave	16 units 23-storey condominium	\$275-\$300 /sq ft
King Towns	1100 King St. W.	187 units Stacked 3-storey and 4-storey townhomes	\$240-\$283 /sq ft
Toy Factory Lofts	43 Hanna Ave	213 units 7-storey warehouse conversion, plus addition	\$300-\$325 /sq ft

**Table 5.5 Housing under development in Liberty, January 2005**

3 The Toy Factory Lofts were constructed in 2003 at the site of the former Irwin Toy Factory, on the western portion of the Inglis Lands and Hanna High Tech Development District. This was the first successful application for a primarily residential (live-work) project within the Liberty Village/Inglis lands. Controversy over the conversion of the Irwin Toy Factory centred around whether or not approval for this application would set a precedent for gradual residential conversion of the Liberty Village employment lands; in this case, both local businesses and City of Toronto planners took a strong position against the application (see Antony Lorus, *How to Meet the Challenges of Planning for Employment Lands*), for different reasons. The City recognized the likelihood that the live-work building would function mainly as a residential lofts, and cited difficulty in future re-conversion of residential lands to their original employment functions; however, the city currently has no policy to replace or replenish industrial or employment lands in the event that conversion occurs. For the BIA, the conversion of the Toy Factory to live-work space meant they stood to lose a significant portion of their budget, which is tied to taxable land slated for commercial functions. Residential conversion within the Liberty Village boundaries is detrimental to the BIA as well, since the conversion from business to residential lands meant the loss of that property's share of the BIA budget. Developers appealed to the Ontario Municipal Board; the outcome of the hearing was to overturn the City's decision, ruling in favour of the right to develop.

### 5.3.1 Housing

For developers, landowners and landlords, the benefits of new developments around the Liberty Village site – including rising property values and demand for office space – have been significant. Under the Secondary Plan, residential construction in Liberty Village is limited to work-live units. Thus, the most significant construction has occurred within the broader statistical boundaries outlined in this thesis for the Liberty area, rather than on the Liberty Village site proper. While 36% of all of residential construction in the Liberty area has occurred since the 1970s, with a significant period of construction between 1981- 1990, more than 80% of the Parkdale housing stock was built before 1971 (see Figure 5.4).

In 2000, a Toronto Star article reported that 1,464 new housing units (mostly condominium-style) were being built along King Street and just west of Strachan Avenue (Toronto Star, 2004). Significant construction has also occurred since the 2001 Census statistics. At the time of this writing, the LVBIA had listed four large residential developments in progress in the immediate area (LVBIA 2005, personal communication; see Table 5.5), including the conversion of the industrial Irwin Toy Factory, one of the first major residential projects built within the Liberty/Inglis boundaries, amid great controversy<sup>3</sup>.

### 5.3.2 Relationship with the City: private interests and responsibilities

The role of organizing a regional new media ‘hub’ in Liberty Village was one originally intended for the New Media Village Growth Corporation, a now-defunct group that was formed in the late 1990s, dedicated to “building economic development in Toronto’s New Media sector” (New Media Village website, 1999). It was initiated by the City to develop new industry that was emerging in the former borough of East York. The organization’s industry-focused network grew along with the successful new media businesses, to eventually span the city. Public support came from various levels of government (including a \$300,000 federal grant from HRSDC, and administrative, in-kind and monetary support from the City of Toronto) and private-sector contributions (an estimated \$70,000 between 1996-1999) (City of Toronto, 1999).

The budding organization was officially dismantled in 1999, effectively ended by the infamous dot-com crash. The site’s development was slowed by the waning interest and investment following the crash, eventually regained stability, though never to the extent of the height of the boom.

Attention was directed internally after the crash, towards strengthening and developing the site. Renewed usage of industrial sites often necessitate capital improvements, such as basic infrastructure, improved road and transportation access, sidewalk and lighting improvements, etc. While the City was sympathetic to these capital improvement requests, it was unable to guarantee funding (LVBIA, personal communication, 2005). The City began instead to rely on private partners, throwing its support into the development of those organizations.

The Liberty Village Business Improvement Association (LVBIA) took on the role of advocate for the site in 2001. The LVBIA was developed with the active encouragement of the City of Toronto (LVBIA 2005, personal communication), in partnership with the Parkdale Liberty Economic Development Corporation and York Heritage Properties (key property owner of the Toronto Carpet Factory and other lands in the area). Incorporated in January 2001, the LVBIA became one of 48 officially-designated Business Improvement Areas in Toronto (TABIA 2005). It was arguably one of the first non-retail BIAs in Canada, based on a campus-style geographic delineation. As an LVBIA representative noted, "BIAs are evolving, you know.....For different reasons, it's not just main street retailing anymore" (LVBIA, personal communication, 2005).

Consciously or not, the final form of the LVBIA also appeared to take on hybrid functions and characteristics of the influences surrounding and preceding it: the social industry-oriented networking of Spadina Bus and the dot.coms scene, the economic focus of a typical BIAs, and the representation of a neighbourhood or residents' association in advocating for the needs contained within a spatial area. Timing was also a factor in the development of this type of association:

In retrospect, a lot of businesses did move out of the area when the high-tech crash came. It was in that period that the LVBIA was formed, so in part, we recognized that it was a vulnerable time for the industry, and that maybe we needed a stronger voice in order to get the improvements that we wanted, and for this area to really succeed.

(LVBIA, personal communication, 2005)

The BIA emerged as a way for local businesses to advocate for these capital improvements. The ability for a BIA to raise collective funds is clearly one of its major selling points, both from the City's point of view and from that of business interests. This fiscal independence has given the Liberty Village business community strong leverage when voicing its concerns to the city. Once established, a consultant was hired by the LVBIA to write a capital improvement plan for the area in 2001. Subsequently, several of the suggested capital improvement projects have been completed in the area, under the Civic Improvement Program. The program is a coordinated effort between city departments and private partners. It is admin-

istered by the Urban Design Section of Urban Development Services, in conjunction with Public Works and Emergency Services, and co-funded by the City and the BIA:

So [the City of Toronto] really did encourage us to become an official BIA. And it's a great thing, you know, because then, the neighbourhood say, "This street is really dangerous – somebody's going to get hit. Let's talk to the City and make it better – we'll contribute half of the funds, and we'll make it a one-way street, and we'll have a sidewalk, we'll slow the traffic down." And the city is quite happy to just come and do the paving and you know, off they go to the next project. You know, so it is – it's a good thing.

(LVBIA, personal communication, 2005)

More recently, in November 2004, the LVBIA made the first steps to focus on strengthening the area's ties with new media industry in the city and the region, setting up initial strategizing meetings with the City's economic planning department.

## 5.4 Social Consequences of Neighbourhood Change

The successes of Liberty Village begin to show rough edges when the boundaries for analysis are broadened to include the surrounding residential neighbourhood. Parkdale itself has begun to show signs of revitalization, including rising property values, and increased homeownership and household income; however, where revitalization has quite clearly benefited Liberty Village and its employees, the effects of this employment site have been uneven for Parkdale residents. Changes in Liberty Village's employment activity, incidence of homeownership, and household residential income have exceeded comparable changes in Parkdale. Where Parkdale's demographic composition and neighbourhood character have changed, they increasingly approximate the middle-class demographic of typical creative class workers, such as those in Liberty Village. The data suggest that these changes come from incoming residents, rather than a changes in the income and employment of existing residents. New developments, choices and priorities for the area appear to better reflect the requirements

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<sup>4</sup> The estimated salary range is based on figures from the Toronto Wage Book (2005), assuming a full-time position at 40 hours per week.

<sup>5</sup> Professional skills for these immigrants are more likely to come from traditional white-collar professions, such as a law and medicine.

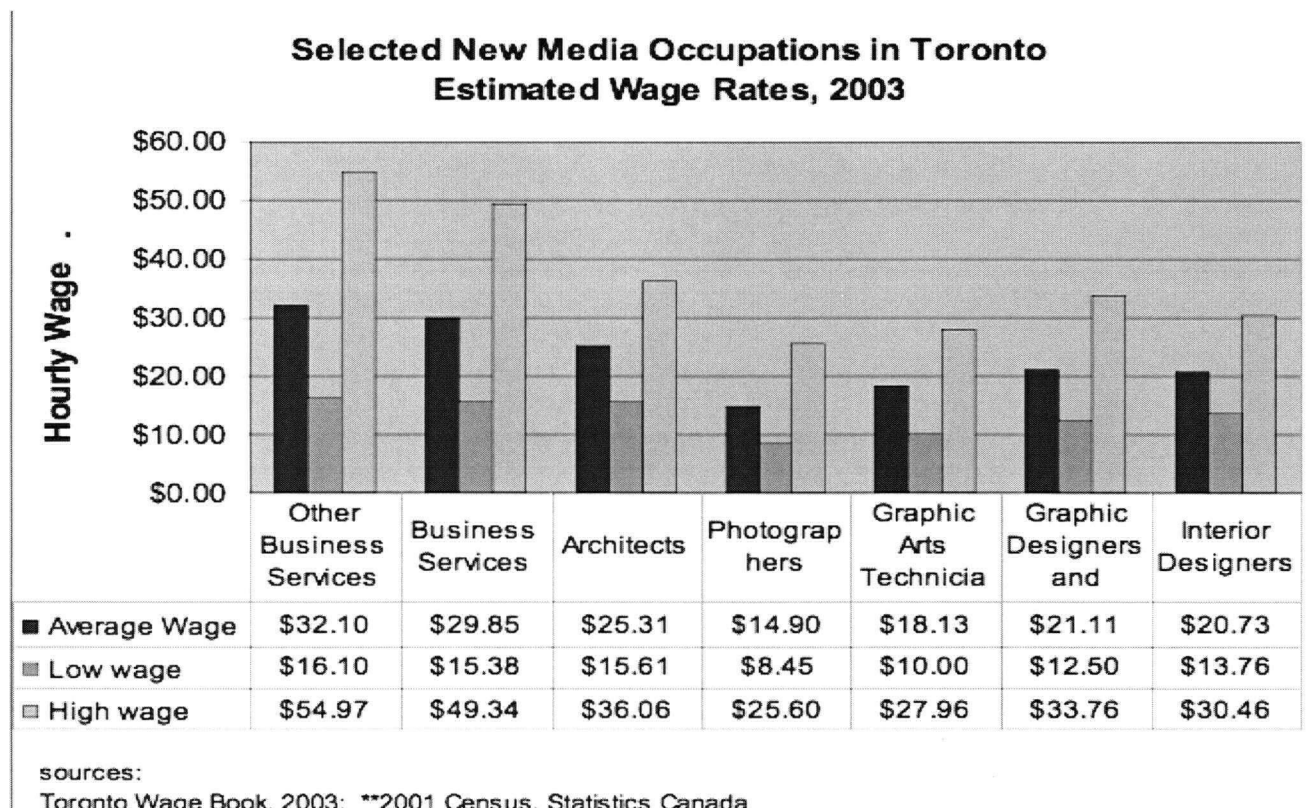


Figure 5.6 Estimated Wage Rates, selected media occupations in Toronto

and lifestyles of incoming residents.

A discernible gap exists between the improvements taking place in the small Liberty area, and the extent to which Parkdale residents have been able to access and share in these successes. There is little evidence that Parkdale's social welfare organizations were included in the planning process, nor was there demonstrated concern from the community, despite pre-existing strong organization around housing and poverty issues.

#### 5.4.1 Residential Labour Force

Analyses of level of education, occupational structure and average incomes for area residents suggest the existence of a job-skill mismatch between the new employment opportunities in Liberty Village, and the available labour amongst Parkdale and Liberty residents.

A greater proportion of Parkdale-Liberty residents have less than a Grade 9 education (12.8%),

compared to 9.1% of Toronto residents; a smaller proportion of residents have had university training (30.6%), compared to Toronto residents as a whole (33.4%).

The occupational structure of the Parkdale-Liberty residential labour force is roughly as diverse as for Toronto as a whole, but continues to reflect a bias towards manufacturing (19% in Parkdale compared to 16.8% in Toronto) and retail (10.8% in Parkdale compared to 5.9% in Toronto) (PLEDC 2001; Toronto Urban Development Services, 2005). As we have seen earlier, the majority of new employment in Liberty Village is found in the office sector, while new employment opportunities in Parkdale can be found in the growing retail sector, particularly in fast-food, restaurant, food stores and convenience stores (PLEDC 2002).

Statistics on wage and income may provide further evidence of a job-skill mismatch: the average income for current residents age 15 and over in Liberty Village (\$27,484) and Parkdale (\$22,265) are significantly lower than the average income in Toronto (\$35,618). Further, the average incomes in Parkdale and Liberty fall well below the average salary range estimated for workers in the new media/cultural/creative industry fields (\$30,992 - \$66,768<sup>4</sup>)

Other indications of an income differential are present. Absolute household incomes in 2000 in Parkdale (\$41,246) and Liberty (\$42,695) were roughly similar, both figures were significantly lower than in Toronto (\$76,454). These figures indicate rapid improvement in both Liberty Village and Parkdale since 1996. This was particularly true of Liberty: where records of household income were lower than in Parkdale in 1996, changes to both average (+55.9%) and median (+60%) household income were sufficient to surpass Parkdale's comparable values and rates of change (Statistics Canada, 2001).

Anecdotally, the majority of Liberty Village employees are thought to commute from outside the local area, from the "905" suburbs (LVBIA personal communication, 2005). It is also expected that the new immigrants in this area, who represent 25% of the Parkdale population (compared to 13% of



the Toronto population), are unlikely to have the new media skills or credentials required to obtain the new jobs being offered (Artscape 2001).<sup>5</sup>

#### **5.4.2 Housing crisis: imaging Parkdale**

While Parkdale's housing stock is aging, the new housing actually being built in the area poses a significant barrier to accessibility. The development pressures on Parkdale come from a number of different factors, including the relatively cheap Victorian-era housing that characterizes the residential neighbourhood and is attractive to creative and professional class homebuyers, and the arts-led revitalization that has greatly changed the character of Queen Street West. In particular, the last two decades have seen a host of independent art galleries, hip cafés and restaurants and converted-loft-style condominiums that have sprung up on the section of Queen Street West now known as the "Gallery District" -- west of Spadina Ave, abutting the South Parkdale neighbourhood. More recently, King Street has been the site of upscale development as well.

Construction in the Liberty area has exceeded Parkdale proportionately since the 1980s, and in absolute terms since 1996. The housing stock in South Parkdale is aging: housing construction in South Parkdale declined significantly after the 1960s (1755 building completions) and again in the 1980s, both in absolute and relative terms. Housing construction in South Parkdale has decreased dramatically since 1990, due in part to limited availability of land, and changes in funding for new rental housing construction.

Though new housing and related developments in and around the area mean that Parkdale residents are also privy to the same cafes, galleries, infrastructure and other amenities that make the neighbourhood so attractive to incoming condo owners and employees, inflated property values in and around Liberty Village increase the risk of Parkdale itself becoming less accessible to low-income renters:

The landlords support it...but the benefit to Parkdale hasn't -- I don't see much. If anything, it's more threatening because of the movement of the residential: the condos that are going in, the townhouses that are being built. In the Strachan/King area, they're already going on, the housing prices are, you know, regular condo prices. Compared to Parkdale -- obviously, it's

going to have an influence on [the price of] any little bits of vacant land.

(Community economic development organization, personal communication, 2005)

Accessibility issues become particularly clear when read alongside local controversy over residential displacement in Parkdale. Already, Parkdale has been the centre of long-standing controversy around proposed 'crackdown' on the single-occupancy rooming houses and 'bachelorette' suites found throughout the neighbourhood, sometimes illegal and often substandard. Tensions mounted between low-income housing advocates, a middle-class homeowner's association and the city (for details on this case study, see Slater 2003). The rapid influx of mid- to high-end condominium-style single-family housing stands well out of reach for many Parkdale residents.

Tenure has also been linked to income, wealth and housing vulnerability. Hulchanski observed that between 1984 and 1999, the median income in Toronto increased at a relatively similar pace for owners (+10%) and renters (+12%). However, the wealth gap between owners and renters increased substantially, with an increased net worth for owners (+43%) and a decreased net worth for renters (-23%) (Hulchanski 2001).

While the vast majority of residents in Liberty Village and Parkdale live in rental housing, homeownership has increased since 1996 in both Liberty Village (4% in 1996 to 11% in 2001) and marginally in Parkdale (15% in 1996 to 16% in 2001). Housing ownership in both Parkdale and Liberty remain well below that of Toronto as a whole (58% in 1996, 63% in 2001).

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6 City of Toronto policies and practices have maintained a generally protective stance towards industrial lands, and a reluctance to accept rezonings despite market pressures to assign industrial lands a residential designation (Lorius, 2002; see Ontario Municipal Board proceedings for the conversion of the Irwin Toy Factory Lofts, for example). The preservation of lands for future non-residential use is done with the acknowledgement that once converted, reversion of land back to industrial or employment-focused use is unlikely. Christina de Marco provides salient arguments for the retention of inner-city industrial lands for industrial usage, citing greater efficiency of transportation infrastructure and the ability to service inner-city workplaces.

## 5.5 Conclusion

As Evans notes, planning for cultural-economic production has “not surprisingly looked to the planning for industrial activity generally” (Evans 2001:169). The development of a new media site in Liberty Village is a case in point, having followed many of the familiar steps taken by city planning divisions in the regeneration of post-industrial land.

In Liberty Village, cultural industries appear to have contributed to successful economic development. Based on evaluation criteria typical for post-industrial urban renewal projects, and in contrast to the statistics for the larger neighbourhood of Parkdale and for Toronto as a whole, Liberty Village is a successful and impressive inner city regeneration project, with demonstrated growth and generation of employment opportunities, increased developer and investment interest, and elevated quality of place. Parkdale and Liberty Village, both economic underperformers in comparison to Toronto as a whole from the early 1980s to the mid-1990s, have showed recent signs of new economic activity resulting from urban regeneration policies which encourage greater responsiveness to market forces, local businesses and developers who retain an interest in the site.

However, the negative aspects of urban regeneration are also present here. Despite intentions to protect existing industry on site and to promote gradual change in the way these lands are being used and planned for there has been a continual outward movement of traditional industry from Liberty. The nominal conversion of these and similar lands from “industrial” to “employment” (change is pending approval of the 2003 Official Plan) signals this shift in focus from the preservation of industry and industrial workers (who continue to comprise a notable proportion of the Parkdale residential labour force), towards the preservation of lands for economic development, with a more varied definition of appropriate land use, ranging from office and light industrial, to restricted residential and commercial uses. While the shift from inner-city industrial planning may be inevitable, the reasons for protecting industry in the first place remain intact (see deMarco on city-serving industrial lands).

From the perspective of local employment, Liberty Village demonstrates the generation of op-

portunities in cultural industry employment that are mostly new to the local area, rather than regeneration of pre-existing labour functions. Though certainly a significant 'new' category of knowledge-intensive and technology-intensive production and employment, there is little to suggest that creative industries will surpass traditional industry in terms of economic or employment generation.

The new employment is directed at a group of employees that appear to come largely from outside the local area. Furthermore, as the regeneration of sites for creative industry and their associated middle-class employees appears to exacerbate an ongoing trend: the development of an impressive city core<sup>6</sup>, with simultaneous contribution to the suburbanization of poverty in Toronto. As we have seen in Liberty Village, these changes have resulted in the displacement of both industrial functions and established residents in surrounding areas. These are not new movements, perhaps, but new threads to a decades-old story.

This progress is occurring much faster and to a greater extent in the relatively small Liberty site. While the renewed economic activity -- including vast increases in area employment -- heralds good news for the city and the region, indications of growing affluence in the area may also be the cause of some concern for the local area. These concerns relate to growing gaps in labour, employment, housing vulnerability and income, which indicate that Parkdale residents and organizations may not be among those who stand to benefit from these gains.

These planning strategies for the cultural-economic regeneration of Liberty Village appear to support the notion that, on the one hand, Toronto is taking an entrepreneurial role in planning; on the other hand, these results indicate that the independence of city planners may be compromised.

# CHAPTER 6: OPPORTUNITIES, CHALLENGES, AND THE PLANNING RESPONSE

## 6.1 Introduction

The development of Liberty Village presents an instructive episode in the Toronto planning response to economic and labour restructuring. We have seen that through a combination spontaneous and planned responses to changes in the area, the once-productive industrial lands known as Garrison Commons have re-emerged as Liberty Village, an employment area that is once again vibrant and productive. The surrounding neighbourhood of Parkdale has received some of the benefits of Liberty Village's regeneration as well; however, the neighbourhood also continues to experience the negative effects of development and changes to the area, manifested in increasing gaps in employment and income, decreased accessibility for residents to new housing developments, and vulnerability to displacement.

As seen in Liberty Village, typical planning tools and strategies such as zoning and land use designations, incentives for and cost charges from development, and fostering of partnerships are still at the planner's disposal. Future efforts by the City to engage in proactive leadership and to use a holistic approach to planning can help to mitigate conflicts and ensure more broadly equitable benefits for those involved in urban regeneration.

This chapter draws on observations made of the case study, Liberty Village, and the policies that helped to shape the area, in order to form recommendations for future research and plans for Creative City clusters in Toronto.

## 6.2 The Need for Cultural-Industrial Regeneration: rationale and constraints

Faced with the double-edged legacy of unemployment and underused land left in the wake of the inner-city industries that had gone to more attractive suburban locations, planners and the community were presented with a need for change. Initially, those involved appeared to derive a sense of relief from the momentum of change itself, without much regard for the trajectory of the consequences:

I don't think anybody in Parkdale took notice. I mean it's better than having vacant land, derelict land deteriorating. Obviously the hope was that Parkdale would benefit, with the money being invested in the community, hope for new jobs being brought in. You certainly can't force businesses to hire locally, but we're just trying to somehow – we haven't figured out how – to link into the wealth that is there.

(Non-profit organization, personal communication, 2005)

As indicated in this quote, the consequences were mixed. Skyrocketing development interest in Liberty Village, and pressure to convert Liberty Village sites to their most lucrative usage (commercial and owner-oriented residential) have increased development pressure in surrounding areas, including Parkdale. Market demand for new housing in the area in the past five years has leaned overwhelmingly towards owner-oriented condominiums and townhouses. Furthermore, housing developments and amenities built in the area are seen as improvements to the neighbourhood's quality of life and additional incentive for future development and investment. These developments have also increased the attraction of a new demographic of residents to the area. Meanwhile, the large population of low-income renters in Parkdale continue to be priced out. One major argument for the conversion of these lands, despite the recognized threat of gentrification to surrounding lands, is that new employment benefits the city on a broader scale. The Toronto Economic Development Strategy (2001), a self-described "framework for action to support Toronto's future economic prosperity and long-term fiscal

competitiveness” is explicit in its perspective on the broad gains that can accrue from investment in

#### Employment Areas:

The greatest risk to our future is to do nothing. Evidence of what happens to places who do not invest in their quality of life is clear, a downward spiral of disinvestment, that ultimately degrades the performance of the region, the province and indeed the nation. Our international competitors are benefiting from the priority their state and federal governments have accorded them in recognition of the new role that cities play in a global, knowledge based economy.

(City of Toronto, 2001)

But as successful as the economic turnaround for Liberty Village has been, benefits beyond the site have yet to be fully realized. While employees have been drawn from across the city, the site's industry focus has not been regional, nor even city-wide<sup>1</sup>.

The importance of scale is key. Originating as small-scale firms requiring small floorplates, creative industries have been interpreted in the literature as a continuation of the movement of artists and other “bohemians” who first began to salvage the productivity of the site, or a recapitulation of artisan workshops that allow creative processes to remain spatially distant from cultural production (Norcliffe and Rendace 2003). As these businesses evolve into larger organizations with greater output, they begin typically to demand more space to allow for in-house ‘artisan workshops’. Likewise, demands for larger spaces are made by conglomerates moving into the site, attracted by the economic growth and creative milieu offered by the successes of the site.

Further growth for Liberty Village as a standalone employment area is certainly limited by the physical constraints of the site. As observed in a report on current and future directions for Liberty Village:

the expansion of new media firms in Liberty Village has nearly reached a saturation point in terms of space available (currently, over 90% occupancy in existing buildings). Further redevelopment opportunities to address the demand (in terms of under-developed property) are limited, potentially resulting in the loss of expanding companies as they outgrow the limited space in the area. (PLEDC 2002)

Due to the limitations of size and location of these interstitial inner-city sites, then, clustering and networking are key to the success of cultural-creative industries, if they are to be regionally and globally competitive. In this respect, Liberty Village has also fallen short of its original targets. The

city-instigated Liberty Village New Media organization was originally positioned to act as an “industry hub” for regional new-media activity; the organization crashed, as did Spadina Bus (an impressive social networking organization in the Kings), and the dot.coms represented by these organizations<sup>2</sup>.

By Harvey’s (1989) definitions, Liberty Village is a successful place-based project, in that direct beneficiaries of the project are both smaller (the 45-acre Liberty Village site) and larger (the city as a whole) than the territory involved (Parkdale/Liberty)<sup>3</sup>. Benefits are both tangible – increased employment, improved infrastructure and amenities – and intangible, such as the raising of Toronto’s Creative City (and Liberty Village’s New Media) profile<sup>4</sup>.

### **6.2.1 Flexible Planning Tools**

Liberty Village demonstrates a deployment of planning tools that have been designed to harness the rapidly-changing conditions of a post-industrial economy, namely by installing flexible policy and planning instruments to respond to this new form of growth and change.

Several points of contention regarding flexible planning (as discussed in Chapter Two) could be observed in the Liberty Village case. Most notably, flexible zoning is typically lauded for the control that it gives to planners in specifying developments on a site, and its ability to be responsive to rapidly-changing conditions and demands of economy and employment. However, its implementation in Liberty Village has to some extent restricted the control that Toronto planners and the local community have on the way the site develops.

Ostensibly, lands designated for employment are protected from outright conversion of land designations to residential or other non-primary uses. However, there have been exceptions which demonstrate a potential threat to the capacity for planners to plan strategically. The 2001 conversion of the on-site Toy Factory Lofts to a primarily residential function is a case in point. While condominium and townhouse developments that surround the site were viewed by all interviewees as positive and welcome changes to the area, both in terms of providing a “ready source of employees” (personal



communication, LV BIA, 2005) and prospect for raising the quality of life in the area, the Toy Factory application was vehemently opposed by both the City of Toronto and local businesses, for different reasons. The City recognized the likelihood that the live-work building would function mainly as a residential lofts, and cited difficulty in future re-conversion of residential lands to their original employment functions; however, the city currently has no policy to replace or replenish industrial or employment lands in the event that conversion occurs. For the BIA, the conversion of the Toy Factory to live-work space meant they stood to lose a significant portion of their budget, which is tied to taxable land slated for commercial functions.

### **6.2.2 Roles and Partnerships in Planning**

As seen in the case study, the development of Liberty Village rested upon the important formation of new partnerships. These partnerships illustrate a division of roles, responsibilities and powers in Toronto planning, distinct from earlier eras.

The roles for public, private, and third-party (non-governmental, community-based) organizations and institutions in contemporary planning practice are less concrete than in their traditional formations. In particular, the role of municipal planning bodies has shifted in response to structural changes in politics, and a more intense engagement of public and private in planning processes.

Previous studies suggest that city-led initiatives for cultural industry development may be too broad, inflexible or out of tune with local cultural specificities and market demand to be successful (Momaas 2002; Brown et al. 2000; see Chapter 2). The literature also suggests that official governing bodies are not always a good guarantor of the public interest. Discussing the changes to municipal control over planning decisions, Donald writes:

Far from leading the charge on economic development, local governments, too, appear unsure of their role in creating the necessary conditions for a new and positive balance between production and consumption, on which stable, long-term economic growth depends. (Donald, 2002)

In response to what can be described as a gap of responsibility for the public good, the collective role of advocacy groups has arisen to protect and promote diverse interests of their respective communities.

At the outset, partnerships appear to provide a structure for making planning decisions that are more efficient for economic development, and potentially more equitable for all stakeholders. But the Liberty Village case demonstrates that not all groups and actors have an equal say in the new entrepreneurial-style governance<sup>5</sup>. For example, the presence of the artist community, arguably the early 'gentrifiers' of the area, has dwindled considerably. Citing the displacement of artists, one interviewee said:

The artist community didn't appreciate it, obviously, and accommodating them – it's just a different type of gentrification. People live in a community and help build it and then get displaced – which is what happened to the artists. And the accommodation for the people who made it attractive just wasn't there. It just goes to show how difficult it really is – I mean Artscape right there in the community, and it wasn't able to manage or to get land set aside or developed in some way for artists, others in the artist community, I really don't – I think it just happened.  
(Economic Development Organization, personal communication, 2005)

Notably, housing and poverty issues have been at the forefront of Parkdale's concerns; the changes to Liberty Village addressed these issues either indirectly (for example, by providing employment opportunities open to all Toronto residents) or not at all.

When we observe the development of a competitive, creative inner city alongside ongoing movements of industry and low-income residents to the suburbs, we can begin to read these planning choices as ones which actively seek to develop a 'model' city core that displays the best of the city's offerings, rather than a holistic working city. While displacement in one form or another may be unavoidable, and while gentrification is certainly not unique to cultural-cluster regeneration efforts, these impacts are clearly as much a part of building the Creative City as they have been of earlier efforts to build a strong urban economy and a competitive urban identity.

The model for urban planning is no longer a purely regulatory one; it is also developmental. As such, this calls for a more critical approach to Creative City-building. The deployment of tools at planners' disposal, to meet their multiple and complex goals, may be another key to differentiating between old and new. The key questions posed to planners are these: what should be a city's priorities? How can policies and planning tools, both traditional and new, be used to ensure a balance of these priorities, and the development of an equitable, livable city?

## 6.3 Opportunities

### 6.3.1 Partnerships: Opportunities

As the completed capital improvements in Liberty Village demonstrate, an organized area can get things done. The City-BIA partnership in the Civic Improvement Program helped to overcome fiscal constraints faced by the City in providing the area's desired capital improvements.

Public-private collaboration, and coordination between city departments, have been characteristic of the development of Liberty Village. The City's role in supporting the broadening of the BIA's functions could be key to the BIA's transition from a local advocacy group to a regional industry-focused networking organization<sup>6</sup>.

The role of the BIA in advocating for capital and cosmetic changes to Liberty Village also points to the possibilities for further civic engagement in planning processes. The City's role in fostering local organizations and providing partnership opportunities on the site has been well-developed; the partnerships that emerged between the City and the LVBIA are exemplary. The system of designating BIAs in various areas of Toronto was borne of fiscal necessity to share costs as much as it was an opportunity for increased community engagement. The resulting strength of these sanctioned organizations in the planning process is testament to their institutionalized support.

Broadening the scope of public-private partnerships to include both social and economic development, particularly in sectors that will remain unattractive to the development community (such as affordable housing), will be important for future regeneration projects. The City has been working with the Parkdale community to resolve housing-related feuds in the neighbourhood. Further work with a broad base of community organizations to help identify the neighbourhood's needs and to participate in decision-making around capital expenditures may be another opportunity for the City to play a leadership role.

Greater focus on public engagement and partnership in planning processes allows the public

interest to be self-defined, in part. Such a definition is bound to be a multifaceted entity; moreover, it is not only diversity but also equity of participants in the planning process that must be considered.

Examples of more extensive civic engagement in planning processes could provide the model for these changes. In the application of participatory budgeting among the poorest (including the as-yet-unrecognized) neighbourhoods in Porto Alegre, Brazil (Abers, 2000) and community engagement for priority areas in Rochester, New York, organized citizens were given an area budget, municipal support in the form of initial outreach, facilitation and workshops on decision-making processes and relevant issues. These citizens were then charged with determining priorities for their own neighbourhood.

Critiques of these processes are not uncommon either, of course. In Porto Alegre, for example, the more fundamental issue of inadequate base funding for infrastructural development in poorer areas (the property tax system neither collects from nor distributes to illegal shantytowns; under participatory budgeting, boundaries and budgets of the poor, established neighbourhoods, are stretched to include the slums at their fringes). Important, though, is the identification of a neighbourhood's priorities in broad consultation with its landowners, employees, users and residents – entry into existing conversations on and about the neighbourhood.

### **Recommendations:**

- Focus on broader coordinated efforts between City departments, and ensure that fiscal constraints are not the only driving force behind these partnerships
- Encourage pro-active leadership in coalition-based planning processes, to ensure social inclusion remains on the agenda, e.g. affordable housing initiatives

### **6.3.2 Planning Tools: Opportunities**

Despite the significant cautions regarding flexible zoning noted earlier (see Chapter 2 and earlier in this chapter), this can still be a powerful and successful tool for city planners, when combined with business cluster models of economic development, and long-term strategic planning. Flexible zoning for Liberty Village has been considered a central element in the area's success, encouraging innovative development applications which respond to the rapidly-changing needs of the New Economy. The

city, an expert in management and leadership rather than business, can take on its traditional role of facilitation and regulation, while considering given options for the future development of the city.

There are a number of planning opportunities here, which require a more pro-active stance from the city. Development charges, or development cost levies (DCLs) are collected by a municipality to help pay for additional pressures placed by the new development on infrastructure and other resources. While improvements are traditionally restricted to the local area of the new development, and to improvements in physical infrastructure such as roads, sewage and storm water management, DCL usage in some cities has more recently become discretionary. By-law amendments in Toronto in 2004 allow the city to collect levies for important social amenities as well (such as childcare, shelters and housing, parks and recreation), which could well help to address some of the pressing concerns for affordable housing and social welfare in the Parkdale neighbourhood (City of Toronto, 2004, Development charges by-law).

### **Recommendations:**

- Ensure that long-term strategic planning goes hand-in-hand with flexible instruments.
- Work with the skills, knowledge and structures that exist in the community. Consider deeper civic engagement, for example through participatory budgeting processes
- Consider local and regional effects. Evaluate potential long-term requirements for inner-city industrial lands. Emphasize regional planning to combat the suburbanization of poverty

## **6.4 Research Contributions**

This case study of Liberty Village demonstrates some of the shifts that have occurred in municipal planning in Toronto. Current city planning policies for Liberty Village, such as flexible zoning, were designed to protect remaining industrial uses on the one hand, while maintaining a flexibility that will allow the area to keep pace with the changes in economy, land values and employment structure (development consultant, personal communication, 2005). Liberty Village, initially slated to be the new media hub for the city, also provides an example of the influence of Creative City strategies on site-specific and city-wide plans.

More generally, this research shows that issues of city image and quality of life are increasingly common in Toronto's urban plans. The appearance of these elements respond to a general uptake of core cultural values in by urban residents. Such changes in urban priorities (and priorities for urban planning) can be viewed as a reaction to authoritative modernist planning regimes, a postmodern shift indicated in, for example, the increasing value placed on coalition-based planning and other forms of civic engagement and partnership. As seen in other cities in Canada and around the world, Toronto has also been embracing an "entrepreneurial" style of planning, partly as a result of the increased social and fiscal responsibilities and independence bestowed upon these cities. This entrepreneurial planning style changes the city's role and relationships to influences and partners as well, with greater emphasis on flexibility and adaptability to structural changes, responsiveness to market forces, partnerships with the private sector.

As this case study demonstrates, however, such flexibility may favour the upwardly mobile. In addition, rather than "revitalization" of the area, such schemes for renewal may result in forms of living and working that are altogether new to the site and the neighbourhood. In Liberty Village, for example, economic "renewal" efforts were most successful in developing *new* buildings and new modes of employment; these noteworthy successes have occurred concomitantly with exacerbated inequality in the existing neighbourhood, the attraction of a population with different cultural values and demographic profile, and a displacement of land use functions and residents that contributes to an unequal (and uneasy) geography of the city.

## 6.5 Directions for Future Research

### 1. Mapping the Creative City

Work has been conducted by Hutton (2002, 2004) to identify the location and patterns of development for inner city sites of cultural production. Further research to describe the city-wide and regional movements of traditional and cultural industry would be useful. An interesting extension on

this thesis would be to map out the geographical movements of production, producers and consumers of traditional and cultural industries within a city-region. Such an exercise in mapping the Creative City could also draw out inter-industry linkage patterns, both within central city clusters, as well as between central industries and those in the wider metro region.

## **2. Innovative Planning Strategies**

On the ground, challenges to the contemporary city appear in the form of familiar municipal issues, along with the pressing imposition of time: contemporary economy and society are seen as increasingly in flux, demanding increasingly innovative responses and rapid resolutions.

Though the use of flexible planning tools is a substantial exception, progressiveness in urban planning strategies has centred largely on innovations in planning *processes*, including new forms of partnership, and increased public engagement. However, urgent local issues such as affordable housing, unemployment, and dire need for improvements to capital and transportation infrastructure continue to be addressed through a lens that identifies urban renewal as a key strategy, and inter-city competitiveness as a key goal. These strategies and goals are not deplorable, but neither are they innovative. Regardless of individual successes, the contemporary “model city,” and the template most often used for its creation, remain as vulnerable to fundamental critiques as earlier urban archetypes.

Planners and academics alike could benefit from research on the threads which link these contemporary processes of ‘cultural revitalization’ to those earlier, and heavily critiqued, processes of ‘urban renewal’, in particular on the gentrification effects which are seen as inevitable.

## **3. The Case of Canada**

Case studies of planning and policy for “Creative Cities” generally focus on sites and cities in Europe and America; fewer examples of Canadian cities currently exist. The body of work on cultural industry in Canada focuses on cultural employment and productivity by industry (Statistics Canada 2002) and for cities as a whole (Gertler *et al* 2004 ). While Toronto, Montreal and Vancouver are often

identified as “cultural capitals” of the nation, comparisons between the three cities are still lacking. Identifying and comparing the specific ways in which policy and land use planning have helped to shape different Canadian cities and sites may help us develop a history and typology for the “Canadian case”, if one exists, and to identify whether or not these trends help to reinforce growing hegemony of certain cities (e.g. Toronto, Montreal, Vancouver, Ottawa-Gatineau, Calgary) in the Canadian urban system. Further, by engaging with the specific national, provincial, or municipal Canadian contexts, and effects of economic and social change in these areas, a body of work on cultural industry development and effects in Canadian cities and sites may provide us with greater insight into the Canadian urban system.

#### **4. Race, Class and Gender**

The scope of this thesis did not adequately allow for discussion of displacement and gentrification, particularly the issues of race, class, gender and immigration. These themes not only underlie the processes and effects of cultural industry development and employment, but are also integral to the history and development of the Parkdale neighbourhood.

## **6.6 Conclusion**

Success stories borne of land use experiments for formerly industrial fringe areas are the stuff that Creative Cities are made of. Successes hail from established global cities such as London and New York (Indergaard 2001), known for their leadership in city- and economy-building, but also include unanticipated triumphs: the entry of innovative upstarts like San Francisco to the global stage; the example of cities like Manchester (Brown et al. 2000) and Berlin, with long histories of art and the underground; surprising cases of Austin (Florida 2002) and Winnipeg. It was their approaches to revitalization and renewal – alternately named radical, innovative, spontaneous, or bottom-up development – that garnered these cities praise. But it was that a common thread was seen to hold these very different success stories together that gave others hope for their own municipalities, small or



large, with economies burdgeoning or flagging. These cities, and the very diverse 'creative' paths they have followed, are lauded as the creativity-led transformations that have inspired municipal celebrity, multiple conferences, new waves of tourism, and a call for municipal planning strategies to embrace such unfamiliar characteristics as risk-taking and 'spontaneity.'

Subsequent to the successful turn-about in these cities, strategies for building a Creative City have been based on an updated urban model for a successful contemporary city: ideal cities that are at once enviable spaces for living, and economically powerful in the face of emerging and as-yet-undefined "new" economies. Additional financial and social responsibilities for municipalities, combined with insufficient funding and crumbling confidence in authoritative methods of development, leave planners in a bind.

Planning has always been an exercise in balancing priorities. Cities like Toronto, experiencing tangible declines in inner-city manufacturing, have directed their focus on what needs to happen in order to bring life "back" into these communities, both economically and culturally, while considering the key opportunities for city building that lie in identifying and marking out the ever-transitioning roles and responsibilities placed on governments, planners, businesses and civic organizations and residents. These shifting roles encourage greater focus on how definitions of public interest and public priorities are changing, on the broad scale of effects of site-planning, and on the benefits of a more holistic planning. A critical Creative City planning strategy can draw on the energy of early Creative City plans, while opening up greater opportunities for innovation and the inclusion of divergent voices and priorities in city building.

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# APPENDICES

## A: Activity Codes used by the City of Toronto to define Cultural Productive/Creative Industries

### 73 Business Services

- 731 Law Firms
- 732 Accountants
- 733 Management Consultants (Business Consultants, Market Research, Personal Service, Call Centres)
- 734 Advertising Services (Advertising Agencies & Reps, Media Space Selling)
- 735 Public Relations Consultants
- 736 Photographers and Graphic Artists (Freelance Artists)
- 737 Personnel Services (Employment Agency, including Theatrical Agencies)
- 738 Computer Services (Computer Programming, Computer Consulting, Other EDP Related Offices, Computer Software Manufacturers, Internet Cafes, Internet Providers)
- 739 Other Business Services (including Investigation Services, Security Guards and Patrol Services)

### 74 Technical Services

- 741 Architects and Planners (Urban Planners, Landscape Architects, Environmental Planners)
- 742 Engineering Consultants (Diversified Engineering, Construction Engineering, Industrial Engineering, Mining Services, Other Engineers)
- 743 Industrial Designers
- 744 Interior Decorators / Designers
- 749 Other Technical Services (Property Management, Janitorial Services, Maintenance)

### 75 Communication and Media

- 751 Radio and TV Stations
- 752 Program Producers (Post Production Companies)
- 753 Program and Film Distributors
- 754 Film and Recording Studios (Film developers)
- 755 Books Publishers
- 756 Periodical Publishers
- 757 Newspaper Publishers
- 758 Other Radio, TV, Motion Picture and Publishing

## B: Methodology

Six interviews were conducted with various organizations involved in the development of Liberty Village. This included a business association, an economic development organization, a non-profit organization, a researcher and consultant, a provincial policy analyst, and a city planner.

Statistical information regarding neighbourhood demographics (income, employment, residential information) were derived from census-tract level data from Statistics Canada, and neighbourhood profiles from the City of Toronto. Site-specific employment data was provided by the Toronto Economic Development Corporation of the City of Toronto.

### Interview Questions:

Partners: who was involved?

1. What was your role / the role of your organization in the development of Liberty Village?
2. Who were the other key partners?

Context: why a new media site?

3. What factors led to the development of the site?
  - a. General trends, precedent, political climate, changes in policies or priorities?
4. What were the intended effects of this new development?
  - a. Specifically: changes in industry, employment, residence, demographics
5. What were the outcomes, both positive and negative? Were any of these unanticipated?  
How have they been mitigated
  - a. relationship to changing views/growing intolerance about homelessness
  - b. rise of the condo market
    - i. reversion of live-work studios
    - ii. rentals
    - iii. affordable housing
6. Has the site been successful? How and why?
7. How relevant is location to the (relative) success of this site?

## C: Summary of Analysis and Recommendations

Responds to:	Evaluation of response	Limiting factors	City-wide policies	Site-specific tools and strategies	Tools: Opportunities	Tools: Constraints
Changes in economy: production and employment	Excellent for reinvigorating the site's productivity, and for development of new employment, area amenities	Unfamiliar forms, rapid changes in the New Economy	Business clustering models	Flexible planning strategies: flexible zoning	<ul style="list-style-type: none"> <li>• Responsiveness to changing market conditions,</li> <li>• ability to assess individual applications for context and immediate demand</li> </ul>	<ul style="list-style-type: none"> <li>• May pose barriers to long-term and strategic planning</li> <li>• "artisan" workshops increasingly follow traditional business models as productivity grows</li> </ul>
Pressure for renewal of valuable (but underused) inner city lands	Locally, renewal exacerbates existing issues of income differentials, unemployment, housing and gentrification among established residents in surrounding area. Regionally, exacerbates the uneven geography of wealth and workers in the city, wherein poverty is increasingly (and literally) marginalized.	Devolution of public-interest responsibilities to increasingly cash-strapped municipalities	Designation of Employment Lands and Regeneration Lands	New Roles and Partnerships	<ul style="list-style-type: none"> <li>• Share costs and responsibilities</li> <li>• Site users help to determine priorities</li> </ul>	<ul style="list-style-type: none"> <li>• time-sensitive processes</li> <li>• municipalities strapped for cash</li> <li>• unequal distribution of power among partners (institutionalized vs other potential partners)</li> </ul>
The valuation of culture, aesthetics and lifestyle "consumption" in cities	Renewal and promotion of 'creative industries' through commercial and residential developments attracts a new demographic, new 'cultural context'.	Competition between priorities – economic, social, environmental	Framework for building a creative city integrated into city and regional strategies	New image and identity for "Liberty Village" as a hub of New Economy and New Media employment	<ul style="list-style-type: none"> <li>• Infrastructural improvements through monies slated for arts and culture</li> <li>• Development of a strategic Cultural Plan for the city</li> </ul>	<ul style="list-style-type: none"> <li>• focus of planning policy and funding on "productive" forms of arts and culture</li> <li>• history of gentrification through arts-revitalization yet to be unpacked by planners</li> </ul>