



THE TRANSFORMATION OF THE METRO CORE

Economy - Structure

Step 1: Understanding Yesterday and Today

Metropolitan Core Jobs & Economy Land Use Plan

Highlights

- Since the 1960s, the Metropolitan Core's economy has undergone several dramatic transformations.
- From the 1960s to 70s, the Core's role changed from a regional centre to "Downtown British Columbia": a growing central office district linked to the BC resource sector, and declining heavy industry along the Core's waterfronts.
- In the 1980s, the Core's role became more international, with a globalized property market and expanded international trade including tourism, the Port, and financial and business services.
- The 1990s saw the rise of a more complex spatial structure in the Core, with a slowing of speculative office development in the central business district, and new economic clusters, including "new economy" activities on the fringes of the Core.



AUTHOR

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INTRODUCTION AND OVERVIEW

The Central Area of the City of Vancouver is of great historical significance, associated with the City's original townsite in the 1880s, and, for centuries prior to that, with important First Nations habitation and cultures.

Over the first half of the 20th century, the Central Area emerged as the centerpiece of Vancouver's economy and urban life. First, the ring of resource processing and manufacturing around False Creek and along the Central Waterfront comprised important features of Vancouver's role as an 'industrial city'. Secondly, the diverse range of services situated in the downtown—banking, commercial activity, and retail and personal services—catered to the broader regional population as well as to the City proper, underscoring the City's role as 'regional central place'. Commercial buildings constructed in this era, including the Marine Building, Sun Tower, and Dominion Building, constitute important heritage legacies and defining elements of the City's identity. Thirdly, the Central Area encompassed high-profile

entertainment and public places, including theatres, dance halls, music performance venues, and sports arenas, underpinning the social life and urban vitality of a rapidly-growing city.

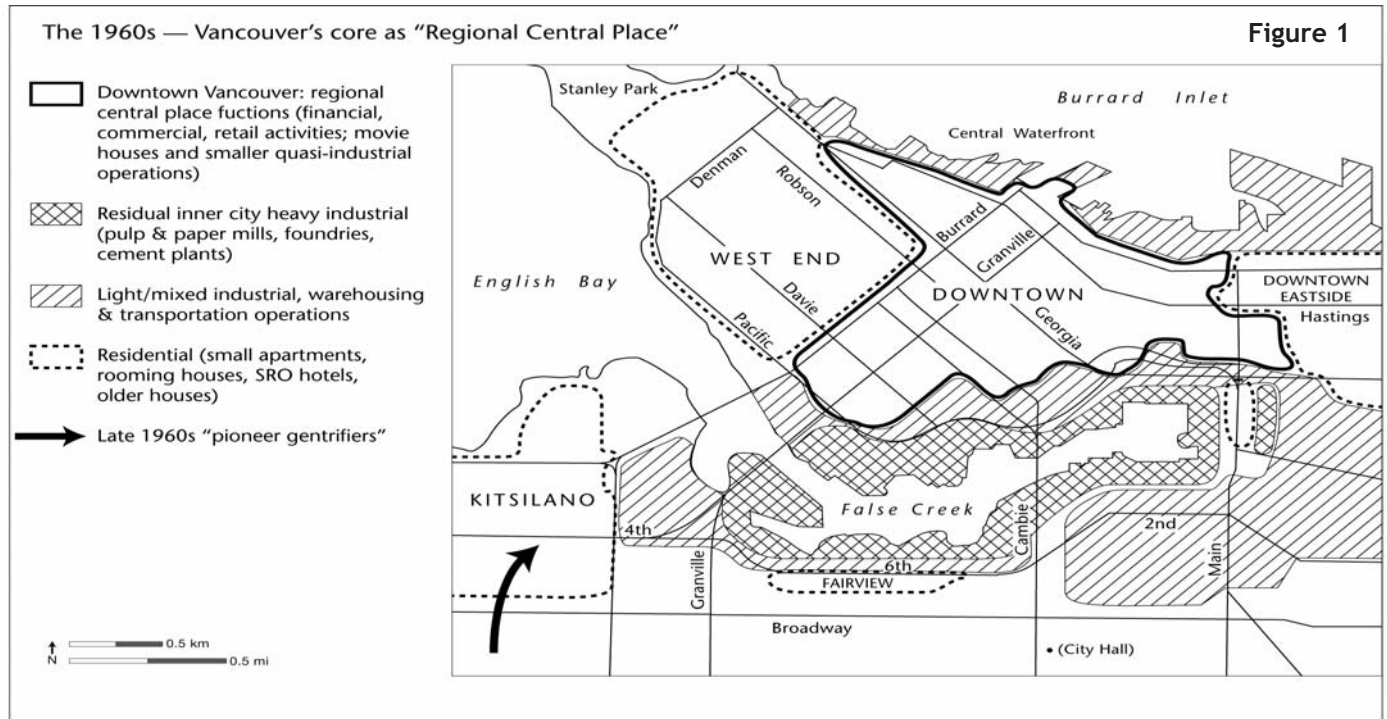
During this half century, the Central Area experienced the effects of a number of 'stresses and shocks', including the Great Depression of the 1930s, two world wars, and a number of civil disruptions, including the displacement of First Nations populations and the internment of Japanese Canadians. But amid these disturbances, the economy of the Central Area experienced essentially incremental growth and change, with a fair measure of stability in basic urban structure and land use patterns.

By way of contrast, the Central Area's economy, industrial structure and workforce have undergone not one but several quite dramatic transformations since the 1960s. These major experiences of change have responded both to local and external forces of change, and to a mix of market, social, cultural and policy factors. The evolution of the urban core's economy has produced far-reaching changes in the Central Area's mix of industries, the location of firms and employment, and the structure of occupations, with implications for the reshaping of the City's class structure and neighbourhoods. Over this period, too, the restructuring of the Central Area's economy has also reflected fundamental shifts in the City's

relationships with the provincial economy and society, within the Canadian urban system, and, increasingly, with international markets, cities and societies. In many ways the Central Area is the defining zone of change for the City and region as a whole, and should be seen not just as the localized 'central city' but rather as the Metropolitan Core of Greater Vancouver, a great international city-region. The purpose of this information sheet is to provide essential context for the City's current major review

of the economy, employment and land use in the Metropolitan Core, a decade and a half following the spectacular restructuring experiences since the approval of the Central Area Plan. The benchmark sequences of change since the 1960s will be described, concluding with the orientations for the early 21st century central area which are the subject of the new Metropolitan Core planning review and public consultation.

PHASE I: VANCOUVER'S METROPOLITAN CORE AT MID-CENTURY



We'll open our narrative of change in Vancouver's Metropolitan Core with a description of the core at mid-century, focusing on the economy, spatial structure and built form.

This initial profile of the Core is important in a number of ways. First, the economy and basic structure of the core in the 1960s represented the 'product' of the City's first three quarters of a century of growth and change. Many of the industries (and even specific firms) that had established in the late 19th or early 20th centuries were in place (although many were obsolescent, if not obsolete). Secondly, we can readily identify the defining elements of Vancouver's economy and regional roles within this mid-century profile. Finally, the Core of the City was by the 1960s on the cusp of a series of major transformations, which would comprehensively

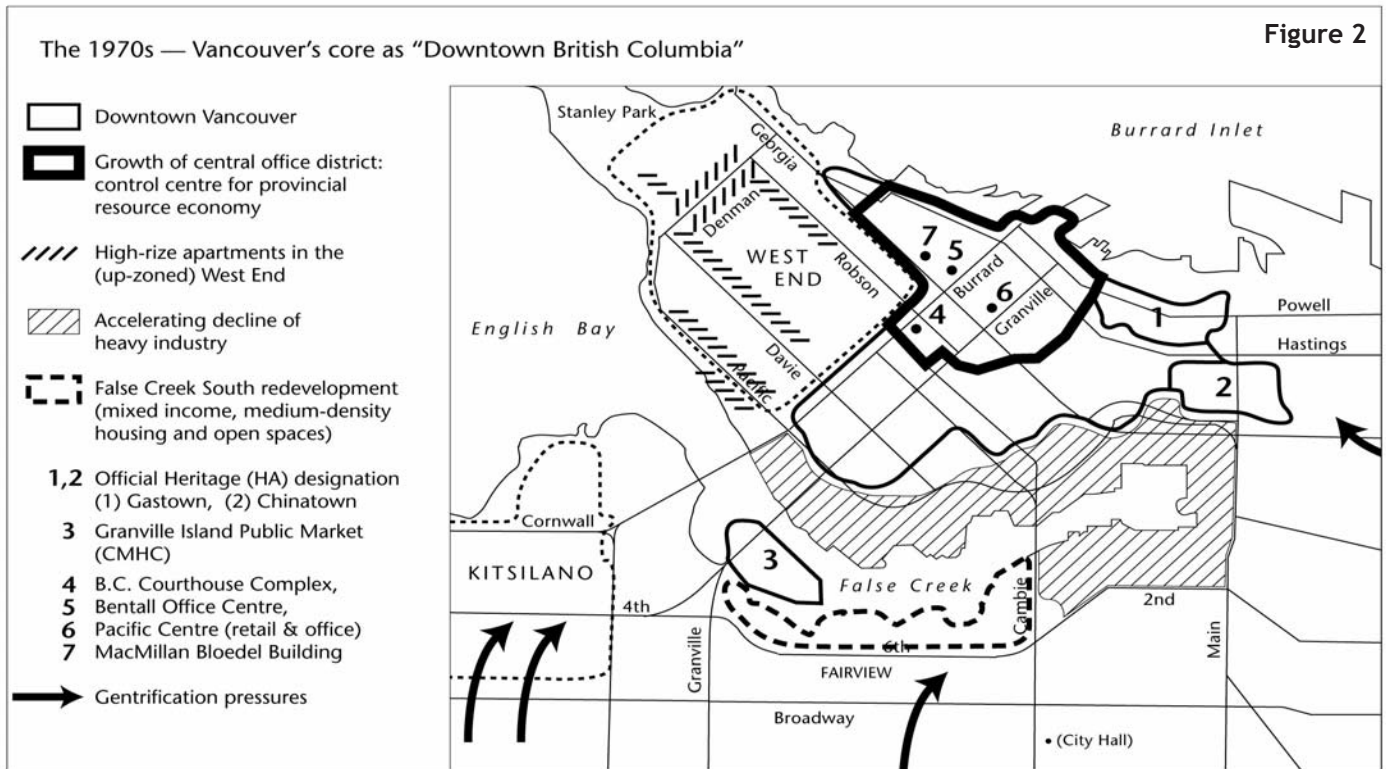
reshape the central area's economy, land use, labour market, neighbourhoods, and image.

Defining characteristics of Vancouver's mid-century metropolitan core were as follows:

- Spatial structure—the basic structure of the mid-century core included three principal elements: (1) a downtown of commercial, banking and other service and quasi-industrial activities; (2) resource processing, and allied manufacturing, warehousing and distribution, clustered along the margins of False Creek, the Central Waterfront, Mt Pleasant north of Broadway, and False Creek Flats; and (3) older residential neighbourhoods, including the West End, Strathcona and the Downtown Eastside (DTES), Fairview, and Kitsilano (Figure 1).

- Economic structure and employment—the central area’s economy at mid-century was both specialized in a regional context (i.e. with higher-order banking and commercial activities), but also very diverse, with (to illustrate) major region-serving department stores along Hastings and Granville, auto dealerships along Georgia Street, and movie houses along Granville’s ‘Theatre Row’.
- Public profile and imagery—the Central Area was low-rise in urban form, like other western Canadian cities, with few tall buildings even in the downtown; and surrounded to the east and south by areas presenting an obsolescent industrial imagery and serious air and water pollution.

PHASE II: VANCOUVER’S CORE AS “DOWNTOWN BRITISH COLUMBIA”—THE 1970S



A new mix of market, social and policy factors initiated a fundamental restructuring of the economy, employment, and land use in Vancouver’s Central Area over the 1970s. These processes followed to a considerable extent the pattern of fundamental (or “structural”) change observed in other advanced urban societies, but with important local variations that underscore the City’s distinctiveness. We can identify the most significant aspects of transformation as follows:

- The growth of the office complex in the Central Business District (CBD) – the 1970s saw a major office boom in Vancouver’s CBD, reflecting the widely-experienced growth of specialized, office-

based service industries and employment among major Canadian cities.

- Linkages with the BC resource sector – the dramatic expansion of Vancouver’s corporate office complex was strongly linked to the City’s role as head office, management and specialized services centre for a burgeoning provincial resource economy, and generated the rapid growth of office employment in the CBD (see Figure 2) which emerged as the largest cluster of firms and jobs in the City and the metropolitan region as a whole. The importance of the central area as ‘Metropolitan Core’ for Greater

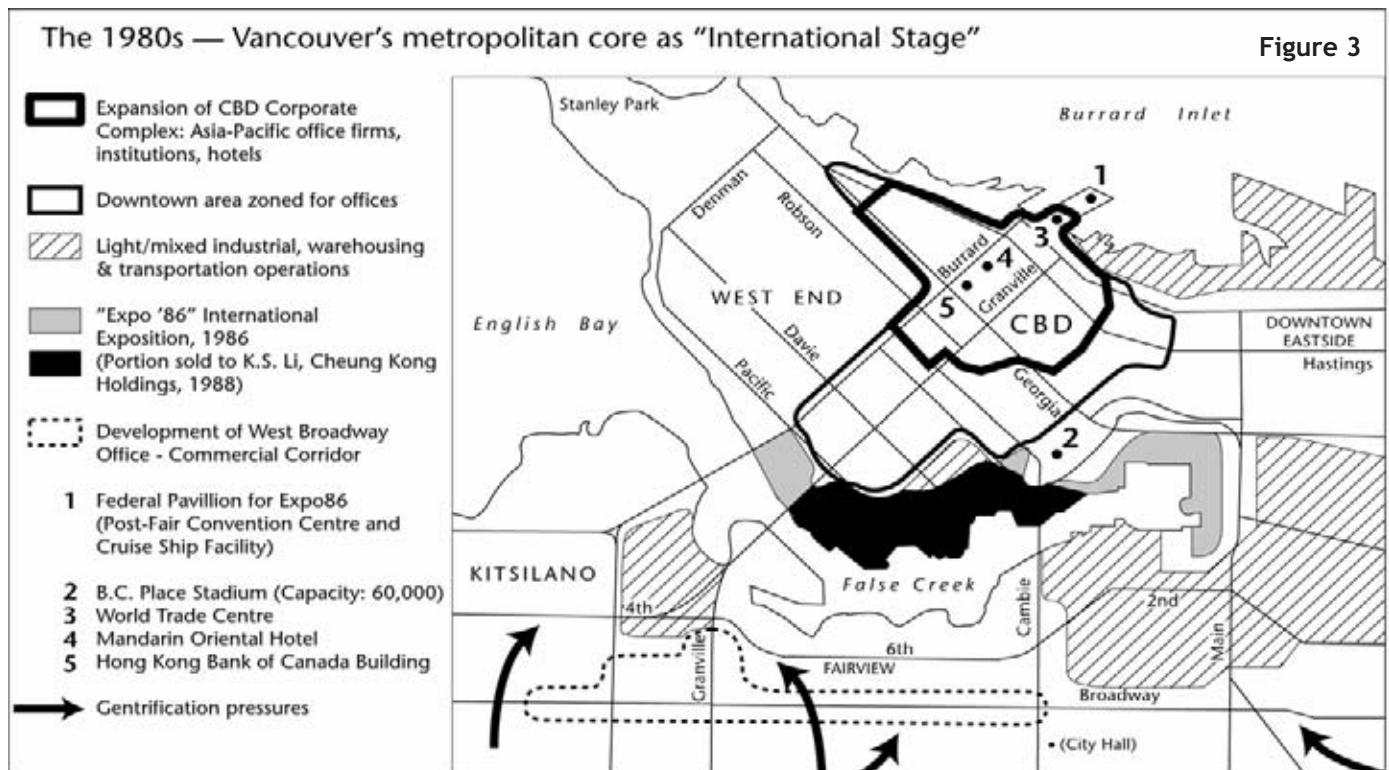
Vancouver was acknowledged in the Livable Region 1976-1986 plan of 1975.

- The ‘postindustrial’ economy and society – the 1970s also saw the advent of the ‘postindustrial economy’ in Vancouver’s Central Area, driven by a mix of market factors and policy and planning influences. Many—perhaps most—of the long-established resource processing industries, mills, foundries and other traditional industrial activities were already in decline; the City also acted as an “agency of change”, in rezoning False

Creek South from an obsolete industrial site, to medium-density, mixed-income housing. Reflecting these shifts, gentrification pressures increased in Kitsilano and Fairview.

- Change in urban form and imagery – the rapid growth of the high-rise office complex in the CBD, coupled with the continuing development of apartment towers in the West End, and redevelopment of False Creek South, produced a distinctively modern urban profile and imagery in the Central Area.

PHASE III: VANCOUVER’S CORE AS “INTERNATIONAL STAGE”—THE 1980S



Over the 1980s, the restructuring of Vancouver’s Metropolitan Core economy continued, with a pause for a serious recession in Greater Vancouver and British Columbia as a whole in the early 1980s, largely caused by a steep decline in resource commodity prices in international markets.

But the leading transformational factors in Vancouver’s central area over the 1980s were associated with globalization, symbolized by the benchmark event of the Expo ’86 World’s Fair

situated on the north shore of False Creek, but accompanied by other impacts of internationalization. Processes and outcomes of this globalization phase were complex, but some of the redefining impacts on the Central Area were as follows:

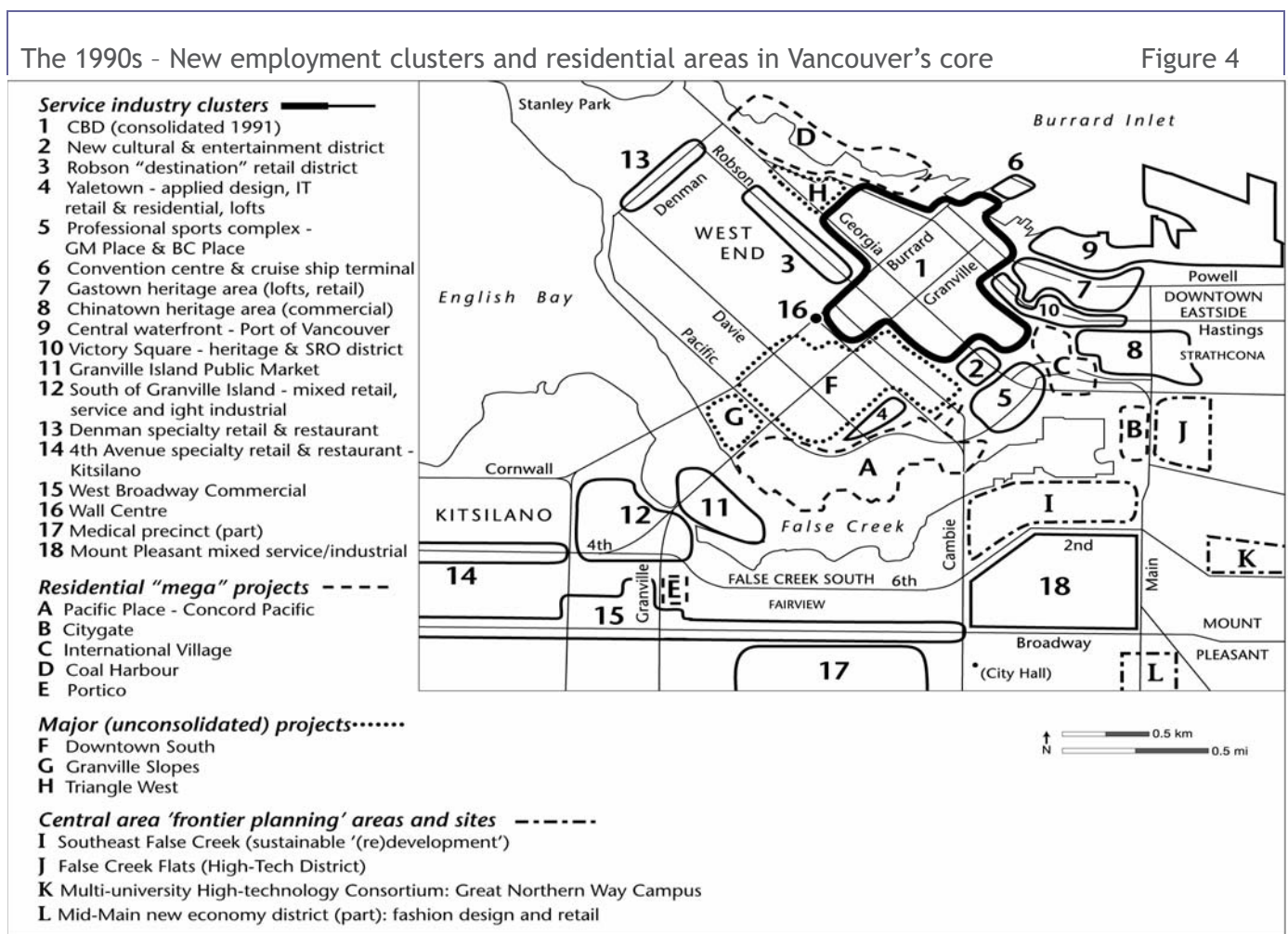
- Expo ’86 – the redevelopment of the North Shore of False Creek had the immediate effect of accelerating decline of heavy industry in the Core, as a City Planning report noted that 4,000 jobs were displaced by the rezoning and

redevelopment; but the more strategic outcomes were: to greatly increase the international profile of Vancouver's Central Area; to stimulate the growth of tourism; and to reshape the Core's urban structure (Figure 3).

- The internationalization of the core's property market—the increased international awareness of Vancouver's development potential associated with Expo '86 stimulated growing interest in the Core's property market, a process greatly accelerated by the purchase of the former Expo '86 site on False Creek North by Li Ka-Shing, Hong Kong's most prominent business leader.

- Expansion of international trade – the Core's expanding international trade role included container trade and cruise ship operations of the Port of Vancouver, as well as the rapid growth of trade in key service industries, including financial services, property management, consultancies and other business services. For both this services trade and the Port of Vancouver, the Asia-Pacific emerged as the key overseas market. The Metropolitan Core comprised an essential feature of Vancouver's emerging identity as a 'transnational city-region', a key node of the Asia-Pacific urban system.

PHASE IV: NEW TRAJECTORIES OF DEVELOPMENT FOR THE CORE—THE 1990S



The Metropolitan Core's economy, landscapes and social structure were reshaped by market and cultural forces over the 1990s. These included high volumes of international immigration which produced a more multicultural society, as well as a more

outward-looking, internationally-connected, and entrepreneurial economy and workforce. But as in the previous phases of the core's development, planning and local policy forces were influential—and in some respects decisive—factors of change.

City Council approved the Central Area Plan in December of 1991, a major policy initiative intended to reshape the structure of the core, consolidating the office complex of the CBD, and favouring new residential neighbourhoods, public spaces, and mixed use districts in the inner city (i.e., beyond the consolidated CBD). This important policy initiative, widely-seen in Canada and internationally as an innovative and far-sighted example of progressive urban planning, coincided with new economic forces or 'trajectories'. These new trajectories, coupled with the successful development of the new Central Area residential neighbourhoods, helped initiate a new cycle of change in Vancouver's Metropolitan Core.

- Speculative office development in the core experienced a decline, reflecting processes experienced elsewhere (over-building, a natural maturation of the services sector, impacts of technology on office employment), but also reflecting the stripping of Vancouver's corporate head office roles linked to the series of mergers

and takeovers seen as a facet of globalization (although downtown Vancouver continues to play an important role as a head office and management centre for public utilities and crown corporations).

- At the same time, there has been substantial employment growth on the fringes of the CBD and elsewhere in the inner city, associated with the growth of international tourism; with the rise of the technology-driven 'New Economy' (including computer graphics and imaging, software, and video game production); and with the emergence of what some have described as the 'cultural economy of the city', including a diverse range of creative and design-oriented services.
- These new industries have generated a more complex spatial structure in the Core, as demonstrated in the 'new employment clusters' shown in Figure 4.

VANCOUVER'S 21ST CENTURY METROPOLITAN CORE: NEW TRENDS, NEW CHOICES

The preceding discussion and accompanying figures have portrayed in outline form some of the redefining cycles of Vancouver in Vancouver's Metropolitan Core. Since the beginning of the narrative in the 1960s, the metropolitan area of Greater Vancouver has experienced one of the highest sustained growth rates in North America, including the expansion of population, industry and employment in suburban municipalities.

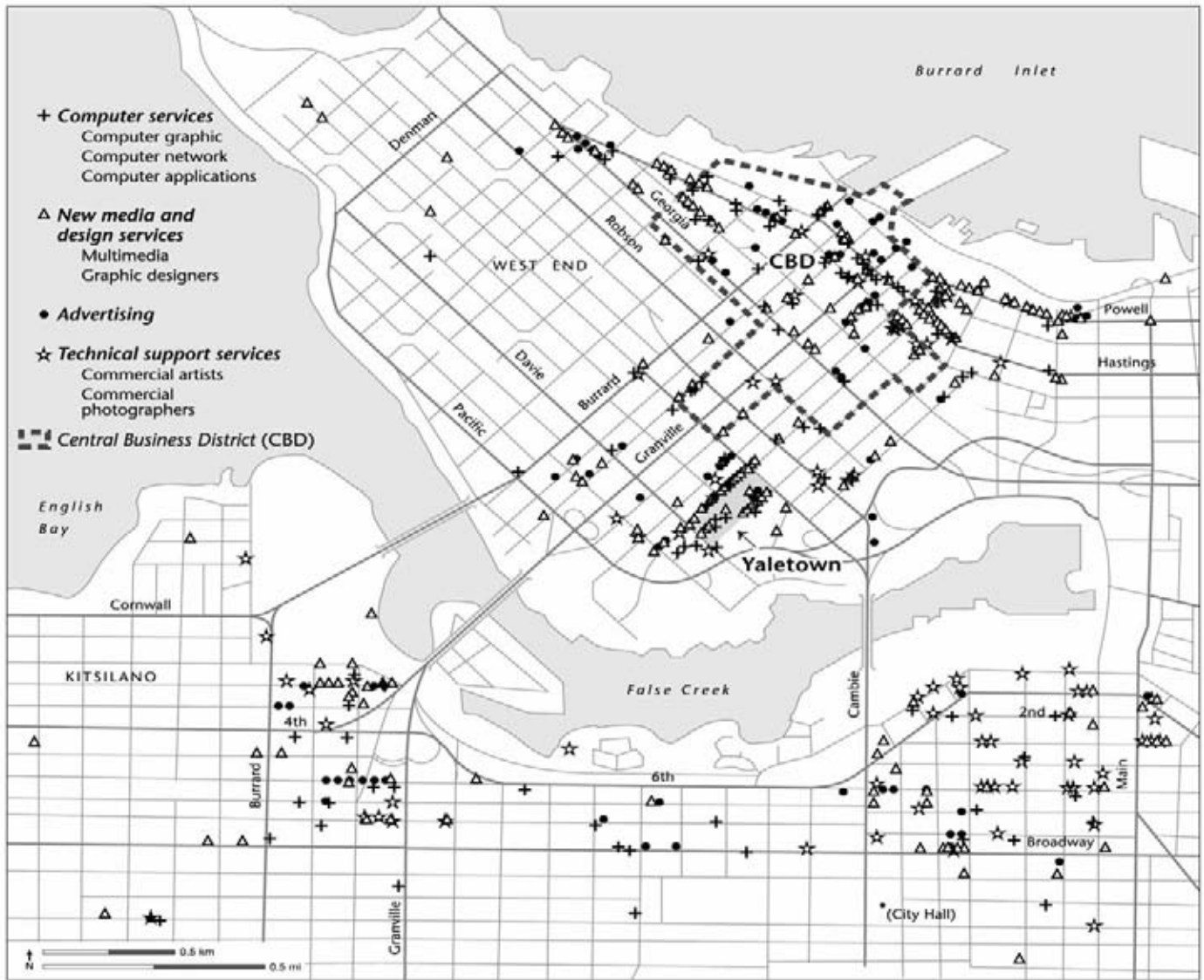
That said, as this Information Sheet has demonstrated, the Metropolitan Core continues to play unique and important roles in the evolution of Vancouver's economy, labour force, society and neighbourhoods, recognized fully in the Livable Region Strategic Plan for Greater Vancouver, approved in 1996. Vancouver's Metropolitan Core is a critical zone of innovation, experimentation and enterprise. Much of the very positive profile and imagery associated with the Vancouver metropolitan area as a whole is intimately connected with the progressive development of the Core. In this latest phase, the economy of the Metropolitan Core encompasses new clusters of creative, technology-intensive firms and employment in the inner city, as

shown in the distributions of a number of computer industries, new media, and allied services, shown in Figure 5. At the same time, 'traditional industries' co-exist with industries of the 'New Economy' (as seen for example in the complex patterns of traditional and emergent industries in the Mount Pleasant area, north of Broadway, between Main and Cambie streets), so there are important 'continuities' as well as 'discontinuities' in the trajectory of the Core's economy and labour force growth.

The fresh cycle of changes initiated by the Central Area Plan (1991) and by the new economic trajectories noted above have now reached a mature stage, so it is timely to conduct a thorough examination of impacts, current trends and dynamics—and new choices for the Metropolitan Core. There are important questions and uncertainties: can the corporate sector be 'rebuilt'? How 'durable' is the 'New Economy', five years after the crash of the 'dot.coms'? What impact will new production and communications technologies have on land use and on occupational structures within the Core's industries? And—to conclude—what is the right balance between housing and employment-related land uses in Vancouver's 21st century Metropolitan Core?

2004 - Distribution of firms for selected industry groups in Vancouver's core

Figure 5



Sources / Contacts

This Information Sheet was published by the City of Vancouver. It is one in a series of Information Sheets produced for the Metropolitan Core Jobs and Economy Land Use Plan. The author of this Information Sheet is Dr. Tom Hutton of the UBC Centre for Human Settlements; maps were prepared by Eric Leinberger of UBC Geography. The purpose of the Metro Core Jobs/Economy initiative is to develop a long term land use policy plan to accommodate future economic activity and jobs in the Metro Core. For further information, please e-mail corejobs@vancouver.ca or visit the website www.vancouver.ca/corejobs