URBAN DEVELOPMENT AND METROPOLITAN GOVERNANCE:

The View from Montréal

ABSTRACT

Recent trends in urban development are posing a number of important challenges to those administering Canada's cities. The author uses the example of Montreal to argue that physical-planning measures must be attached to a larger policy that addresses social, economic and environmental problems. Rather than paving the way for urban economic champions, our governments have introduced counterproductive measures which could lead to a "graceful decline of our central cities".

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Given the similarities that exist between the Québec metropolis and other large cities in Canada, Montréal's evolution in terms of spatial patterns, public policies and structures of decision-making can serve as an illustration for trends in the country overall. On the other hand, because no two cities are alike and because Montréal is part of a société distincte, its unique characteristics must be noted. Following important changes in municipal boundaries and metropolitan institutions, greater Montréal finds itself better equipped than its rivals to plan for its growth but less in need of doing so. It also benefits from social policies that are somewhat more favourable than in other provinces but suffers from a growing cultural and political gap between the city and the rest of the province.

The Montréal metropolitan area has a population of some 3,4 million residents and a territory of slightly more than 4 000 square kilometers (the equivalent of a circle with a 40km-radius). Despite ongoing suburbanization, it has remained densely settled, more densely settled, perhaps, than any other metro region in North America (depending on the definition of the metropolitan territory). Since its merger with twenty seven of its suburbs on the Island of Montréal, on January 1, 2002, the central city has a territory of nearly 500 square kilometers and a population that has more or less stabilized around the 1,8 million mark. Like Montréal, the other large cities of the metropolitan area, Laval and Longueuil (with close to 360 000 and 390 000 residents, respectively), have known low rates of growth recently. Other municipalities on the North Shore and the South Shore, which number about seventy, have remained small in population but dynamic in residential growth.

Montréal also has one of the most monocentric structures of all metropolitan areas on the continent: its downtown core is still by far the largest employment centre in the region, and two other primary nodes are located nearby as well, within the territory of the new City of Montréal. A certain commercial, industrial and institutional decentralization has occurred on the heels of residential suburbanization, but the Island of Montréal still contains a majority of regional shopping centres, though perhaps not for long, of manufacturing plants, especially in the high-tech sector, and of public institutions, particularly in higher education and health care. Areas of employment have grown in Laval and in Longueuil as well, but they have not acquired the same profile as the "edge cities" that have mushroomed around Washington and Atlanta or, to a lesser extent, around Toronto. This difference in metropolitan structure can be explained in part by the lower average income of Montréal households and by the local topography (i.e. the presence of waterways acting as barriers); but it seems to follow as well from a greater tolerance for urban densities.

Montréal also remains the undisputed core of the metropolis in terms of immigration. Over eighty percent of all new arrivals to Québec settle on the island, where they represent close to twenty percent of the population (about half as much as in Toronto). In light of this influx and in light of the constant exodus of francophone households to the suburbs, some demographers

predicted until recently that French would soon become a minority language on the island. However, a slowdown in the rate of suburbanization, the continued movement of English speakers to other provinces (together with well-educated Francophones and Allophones) and the adoption of French as main language by an increasing number of immigrant children have made that prediction obsolete.

The demographers' "warning" may have been unjustified, but it seem to have played a role in the political dynamics that ultimately led to the merger of Montréal with its island suburbs. (Québec City, Gatineau-Hull, Longueuil, and Lévis were merged with their suburbs as well; in all 64 municipalities were turned into five larger entities.) Article 1 of the law that brought the new City of Montréal into existence (Bill 170, passed in December 2000), says: "Montréal est une ville de langue française." Ensuring the French character of Québec's largest city was of course never explicitly presented as a motivation for the amalgamation. The justifications that the government put forward in its public statements and documents were that the merger would effect economies of scale in municipal service-delivery and administration, foster equity among central-city and suburban tax-payers and residents, facilitate intra-metropolitan cooperation and render the city more competitive.

In fact, none of these five reasons – linguistic status quo, municipal efficiency, fiscal equity, metropolitan cooperation and global competitiveness – could or should have been decisive for the government. If anything, the annexation of suburbs such as Westmount, Hampstead and Beaconsfield over the staunch opposition of their mostly Anglophone residents has galvanized West-Islanders as a significant political force in municipal politics. So much so that Québec Minister of Culture and Communications Diane Lemieux found it necessary to notify Mayor Tremblay in early December 2002 that his administration was threatening to slip into an unacceptable bilingual mode. Premier Bernard Landry followed up with a similar message to local businessmen with respect to commercial signage and communication in the workplace. Yet data from the 2001 census, issued at the same time, indicates that a majority of Montréalers is now bilingual.

The government may also be in for some surprises on the financial and fiscal fronts. Economies of scale are generally illusory beyond a certain city size. In Montréal, chances are even bigger than elsewhere that fiscal benefits will amount to nothing (or turn into losses) because of strong demands on the part of powerful unions and because of the complex administrative structure that the city was given. For the new Montréal is both a unified city, which replaced the Montréal Urban Community in the same manner that the new Toronto took over from Metro Toronto, and a collection of twenty seven arrondissements. These boroughs are in charge of local services, such as development control (zoning), snow removal and parks and recreation, which have a direct impact on residential quality of life. Eighteen boroughs are new embodiments of former suburban municipalities (sometimes of a couple or even three together) and nine of those have been given an official bilingual status under Québec language laws. Another nine boroughs have been carved out of the former City of Montréal. Thus the amalgamation has induced both centralization and decentralization, and it has launched a most interesting experiment in local democracy in what was traditionally the kingdom of populist and autocratic mayors.

In any case, the cost of running both a central city and local boroughs, together with the demands of the unions, will probably render savings illusory. The administration has already admitted that the new city is facing a structural deficit due to the mismatch between the rate of increase in expenditures and the rate of growth in revenues. At the time of writing (mid-December 2002), it appeared that the province would once again fill the City's fiscal hole by purchasing some of its assets.

Large-scale amalgamations do not necessarily serve the goal of fiscal equity, either. First, redistribution between richer and poorer areas is not guaranteed; if it does occur, it can remain minimal in scope. Thus the first budget of Montréal's new administration allocated only one percent of expenditures to equalization among boroughs. Second, if the merged municipality does not enjoy the saving it expected or if, like Toronto, it faces increased responsibilities without increased revenues, it will generally resort to user fees (as well as to property-tax increases) to balance its budget. It will thereby render its tax structure more regressive and will annul whatever equity it may have gained from pooling together various municipal tax-bases. In Montréal, the political imperative to freeze or even lower municipal taxes makes recourse to user fees nearly unavoidable.

Regional consensus-building, too, may be harmed rather than helped by a large-scale merger. Although the measure reduces the number of players at the metropolitan table, it gives the central city fewer reasons to collaborate with its little siblings and gives the latter more reasons to fear their big brother and to compete with it. Indeed, since the birth of the mega-city of Montréal, the rhetoric and politics of local competition have increased in intensity. (We will come back to this issue below.)

Finally, global competitiveness does not appear to be much influenced by the size of the central city or even by jurisdictional divisions around it. When Québec politicians "sell" Montréal abroad, they mention its universities and research centres, its infrastructure, its quality of life and, yes, its bilingual workforce, all of which are indeed factors of competitiveness. At best, as the Montreal Board of Trade argued in its support for the merger, a centralized administration can rationalize the permitting process and the allocation of subsidies over a larger territory. Whether this will boost development, let alone innovation, is an open question. Also open is the question of whether Québec had any choice but to enlarge Montréal after Ontario enlarged Toronto. It is doubtful that rankings of cities by size really matter that much to their economic competitiveness, especially if they are each only one part of a larger metropolitan region, which is the economic unit that counts.

The main reason for the mergers of Montréal and other cities in Québec and in the rest of Canada, in the end, was most probably related to the sustained efforts of higher-level governments to balance their accounts and



Downtown Montréal, Québec viewed from parc Jean-Drapeau – photo © Ville de Montréal, Johanne Palasse

lower their taxes on the backs of lower-level governments. Despite their ostensible political differences, Québec and of Ontario have tried to lessen their responsibility towards older, poorer central cities by enabling them to get their hands on the tax-base of their suburbs. In Québec, this process has not been accompanied, so far, by the same downloading of social responsibilities as occurred in Ontario. Indeed, the Parti québécois administration has maintained its hold on social welfare services and, to a certain extent, its commitment to them. Yet municipalities have been forced to pay part of the bill to absorb the provincial deficit in the 1990s, and the enlargement of Montréal has not put it in a better position to deal with immigrant absorption, urban revitalization or crime prevention.

In addition to creating much larger cities in the regions of Montréal, Québec City and Gatineau-Hull, the Québec government created three communautés métropolitaines there. These bodies, which are in charge of coordinating infrastructure, social-housing and economic-development planning at the metropolitan scale, do not constitute a new level of government, as they are run by officials from local municipalities and do not have independent taxation powers. The Council of the Montréal Metropolitan Community (or CMM, to use its French acronym) is made up of fourteen representatives of the City of Montréal and an equal numbers of representatives of the suburbs, but the Mayor of Montréal is its President and can cast a tie-braking vote.

The mandate of the CMM, as stated in Bill 134, passed on June 16, 2000, is to ensure the "harmonious economic development" of its territory, to ensure a fairer distribution of costs and revenues pertaining to metropolitan facilities, and to establish regional frameworks for land-use, waste management and social housing. (Public-transit coordination is also on the CMM's agenda, but this issue is really being taken care of by the Agence métropolitaine de transport, a planning body that answers to Québec City, not to local officials. The AMT is funded by income from local property taxes, gas taxes and automobile registration fees.) To meet both its developmental and redistributive mandates, the CMM can tap into a Metropolitan Development Fund that is nourished for one half by municipal contributions based on the absolute size of the existing tax-bases and for the other half by contributions based on the annual increase that the respective municipal tax-bases haves enjoyed. CMM plans will have to fit directives issues by the province and their implementation will depend on the collaboration of provincial ministries.

The addition of the Metropolitan Community occurred without the removal of either the Regional County Municipalities, which regroup local municipalities for planning purposes, or the Administrative Regions, which represent provincial agencies at the regional level. In addition, as we have seen, Montréal has been designed with a decentralized structure of local boroughs. (The same goes for Longueuil.) The result of municipal reform in the metropolitan region, then, is a five-tier system of local or regional government and administration—not exactly the "common-sense" simplification of government structures that allegedly drove municipal reform in Ontario.

If municipal restructuring was different in its modalities in Ontario and in Québec, its impact on metropolitan coordination and planning has been quite similar so far. Preoccupied first and foremost with making the merger of their cities a success, Mel Lastman and Gérald Tremblay have not exercised much leadership on the metropolitan scene. In the Montréal region, suburban mayors, most notably Laval's Gilles Vaillancourt, have filled the void, working hard to ensure that the CMM would not become an instrument of regional domination in the hands of Montréal officials, a means to impose decisions that would hamper development in the periphery. Laval and Longueuil see themselves as direct rivals of Montréal, in part because they, too, are now subject to competition from the outer suburbs. The latter, especially on the North Shore, have also shown a greater willingness to stake their claims openly in their competition with the central city. Now that they are part of a CMM whose mandate is to foster economic development and redistribution and now that the Ministry of Municipal Affairs has officially declared the structure of the metropolitan area to be polycentric rather than monocentric (Government of Québec, Cadre d'aménagement et orientations gouvernementales, 2001), suburban municipalities are less prone than ever to let Montréal, or Québec for that matter, tame their ambitions in the name of sustainable development. Given their electoral power as makers or breakers of governments,

suburbanites can afford to call Québec's bluff when it swears that it will realign its policies to limit sprawl.

In fact, sprawl is probably less of a problem that it is made to be. First, low-density development still corresponds to strong consumer preferences. Second, residential densities in the suburbs have started to increase somewhat, even if they remain far too low to warrant the provision of decent public-transit services. Third, suburban expansion around Montréal has slowed down since it peaked in the 1960s and 1970s. This is due much more to demographic trends than to government policies.

Herein lies the main difference between Montréal and Toronto, Vancouver, Ottawa or Calgary: despite its excellent record in job-creation and in construction recently, the Québec metropolis will grow at a much smaller pace than its rivals in the coming decades. Demographic forecasts speak of an added 300 000 residents or so in greater Montréal between by 2020, as compared to an additional two million residents in greater Toronto and a million in greater Vancouver. Also, the amount of vacant land in the Montréal metropolitan area available for development (i.e. outside of protected agricultural zones) is estimated to be about 365 km2. This area should be sufficient to accommodate housing, commerce, industry, recreation and all other uses for at least a quarter of a million people, at very low densities, or for half a million people, at low-to-medium densities. Clearly, with its slow projected growth and its ample supply of vacant land within the urbanized territory, Montréal is not facing the same planning problems as Toronto and Vancouver, where suburban and exurban sprawl, fueled by rapid population increases, remain important challenges.

Despite their differences, Canada's largest cities are facing a shared set of problems. As the Prime Minister's Caucus Task Force on Urban Issues argued, the provision of affordable housing, the improvement of transit and transport systems and the rehabilitation of aging infrastructure networks should be high on the agendas of all three levels of government (Canada's Urban Strategy: A Bleuprint for Action, 2002). In addition, the fate of our older suburbs should be a matter of concern. Places such as Laval and Longueuil are starting to suffer from "urban problems" related to poverty (especially among the elderly) and marginality (among the young). The declining physical conditions of homes built in the post-WWII era, the instability of property values as baby-boomers retire and move, and the relative paucity of public and private services in low-density residential areas all require immediate attention if we want to preserve healthy inner suburbs between a thriving (or not-so-thriving) centre and a growing periphery. In this context, solving the problem of road congestion should not be a top priority. It is in fact a problem without a solution so long as Canadians want to have it all: living in spread-out cities, working at the same regular hours, enjoying the comfort and convenience of private automobiles, and using freeways to move about. As the saying goes, something's got to give.

What the case of Montréal suggests, is that physical-planning measures must be part of a larger policy package that attends to social as well as economic and environmental problems. Cities with limited population growth could very well continue to expand into the countryside if conditions in older neighbourhoods are allowed to deteriorate, as has happened in the United States. The Canadian model of racial and ethnic harmony is going to be put to the test as immigration continues to feed urban development, and there is no reason to believe, a priori, that our vaunted multicultural ethos will be a match to the growing economic and social marginalization of youths from visible minorities. In that light, the downloading of social responsibilities onto the municipal level, especially without the attribution of corresponding fiscal powers, is a counterproductive measure, to say the least, on the part of governments who otherwise want their largest cities to be their economic champions and main sources of revenue.

In Montréal, chances are even bigger than elsewhere that fiscal benefits will amount to nothing (or turn into losses) because of strong demands on the part of powerful unions and because of the complex administrative structure that the city was given.

Twenty-five years ago, Peter Hall concluded his book on large metropolises on a sober note: "The central city may be destined slowly to decline, but it must be permitted to do so gracefully" (World Cities, 2nd edition, 1977, p. 256). In this new century, let us hope that we will do better than merely ensuring the graceful decline of our central cities and that we will, through enlightened policies, make urban development socially as well as environmentally sustainable.