

# **Stephen Avenue Mall 1956 - 2010**

**An Overview of Shifting Commercial, Social and Regulatory Factors**

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## Executive Summary

The history of the development and economic vitality of Stephen Avenue Mall, Calgary's original commercial main street, is a reflection of Alberta's post WWII economic cycles of boom, recession, and recovery. Over the fifty years of its existence as a public amenity, the health of the Mall may fairly be seen as a reliable barometer of financial conditions within the province's and the nation's energy sector.

The creation of the 8th Avenue Mall in 1968 was a direct result of economic challenges to the hegemony of Downtown's commercial retail sector that dated back to Calgary's earliest days. In North America, over a relatively brief period of time, the growth of new suburbs to accommodate returning war veterans and their families, the rapid expansion of associated transportation systems and the rise of suburban and regional malls, together with a general flight of the middle classes to modern suburban housing, severely challenged the economic vitality of traditional downtown's. Calgary was no exception.

By the late 60's what had been cities' main shopping districts with the highest assessed land values, delivering the highest rents and retail sales per square foot, and remitting the highest business and associated taxes to governments, began to experience declines in retail sales receipts, a growth in vacancies, dereliction buildings, and an emergence of social issues as Downtown's resident population was displaced by new growth. In this context, strategies to revive downtowns and re-position them as "active people places" through the development of malls and plazas in city centres emerged across North America. Over a 20-year period beginning in the 1960's and ending in the early 1980's, over 200 pedestrian malls were developed in cities as part of a city centre revival movement. By the mid-1990's approximately 30 remained of which Calgary's Downtown Mall, present day Stephen Avenue, is acknowledged to be one of the more successful examples.

In the five years between 1956 and 1961, Calgary grew by 37.3 % largely attributable to the consolidation of the city as the national headquarters of the oil and gas industry after the Leduc oil strike of 1947. The subsequent growth of suburban residential and commercial development that ensued- Chinook Centre opened in 1957- and the

growth of the energy sector initiated a suburban shift and a steady decline in downtown's large market share of retail and entertainment. In 1961, 74% of the city's cultural activities and community services and 67% of the city's hotels and motels were located in the Downtown; by the end of the decade this was substantially dispersed.

The establishment of the 8th Avenue Mall was marked by controversy that, in part, may be traced to The City's slowness to come to terms with the details of the Mall's creation, its implementation and the legal requirements for a specific Mall By-law- all of it reflected in dozens of opinion pieces and editorials in the dailies. Controversy arose over its design and a vigorous public debate in the media and in Council Chambers ensued over the choice and relative merits of a transit mall or a pedestrian mall. The City, unwilling to alter well-established transit routes favoured a transit mall and altered the architect's pedestrian oriented design to install rough striated concrete bus lanes - to the consternation of pedestrians. Ultimately the matter was settled in a Public Hearing at which the public's preferred pedestrian option was approved, and all vehicular traffic with the exception of emergency, maintenance and delivery vehicles was removed from the avenue for a 30-year period. The Mall was not fully completed until 1972.

The 1960's and 1970's were a period of tremendous growth, social change and unrest. In the summer months of the early 1970's the Mall became a focus of the unease as Calgary's youth and students travelling for work congregated in large numbers. Controversy arose over what constituted acceptable activities on the newly established Mall and the question of whether it was to be treated as a standard roadway with no political activities permitted as was the case throughout the city, or as a new hybrid form of pedestrian precinct - a commons- subject to its own by-law. Ultimately, a Mall By-law was established assigning responsibility for approvals of all Mall activities to the City's Board of Commissioners who, in consultation with Calgary Police, favoured what the public and the media and Mall merchants considered to be a lengthy and overly restrictive approach. The matter was settled after lengthy media debate and a court case, at the end of which the City was advised that if excessive control of citizen's freedoms were impinged upon it would be due cause for legal challenge.

Across North America 1970 marked the end of the Post W.W.II Boom, the peak of U.S. oil production and the beginning of a rising North American dependence on foreign sources as demand outstripped supply and Canada increasingly began to import from offshore sources. In this context, the economic shock of the OPEC oil embargo of 1973 set the stage for a decade of high oil prices, double-digit inflation and high unemployment in all sectors of the developed world. For Albertans the high price of oil and gas was a mixed blessing- creating a made-in-Alberta boom that was followed by severe recession in the following decade. Between 1970 and 1980 there was a 46% increase in Calgary's population and the stresses of growth were evident in all sectors most dramatically in the Downtown where the construction of Bow Valley Square followed by Scotia Centre and TD Square added new square footage for 130 retail outlets within an expanding +15 system. The resultant internalization of commercial retail operations led to ever increasing vacancies on the 8th Avenue Mall and an ongoing marginalization of its remaining small business interests clustered at the western end of the avenue. In 1978, one high-end commercial interest remained on the Mall at the southeast corner of 1st Street. S.W. At this point Calgary had the highest commercial retail sq. footage for the size of its population of any city in Canada, and the Downtown was virtually abandoned after business hours.

The 1980's and early 1990's marked the nadir of the Mall's economic vitality and the gradual emergence of a civic debate on its viability and the future of the precinct and its unique collection of historic buildings. The Province, in response to the ongoing loss of historic buildings due to new developments, moved to block large -scale development in the 100 and 200 West Blocks by designating four mid-block and end of block buildings and the private sector undertook isolated rehabilitations and adaptive re-use of buildings in the 100W Block. Bu the late1980's however, despite a pedestrian traffic count of approximately 35,000 people a day, the Mall was largely seen as a no-go zone in evening hours. Two bar-related murders in the 1990's further cemented public opinion.

In response, The City in concert with the Downtown Business Association undertook a comprehensive approach to strategic studies and actions in support of guiding a revitalization of the Stephen Avenue Mall. These included; passage of Height

Restrictions, Sunlight Guidelines and density transfer provisions for historic buildings within the 100 West Block of 8th Avenue Mall; development of a "Circa 1912 Theme Area" revitalization strategy together with new Signage Guidelines and a comprehensive \$3.2 million streetscape improvement program under a Local Improvement Bylaw. The streetscape improvement introduced a number of key changes that included; expansion of electrical services into the Mall to permit seasonal development of patios for restaurant use during daylight and evening hours and, critically and after extensive debate, re-instatement of one-lane west-bound vehicular traffic and lay-by parking during evening hours to provide "eyes on the street", support extended shopping hours and the development of full-service restaurants and street cafes for evening activity. In turn, the DBA supported a Downtown Business Revitalization By-law that subsumed an existing Stephen Avenue Board that had been partially funded by the City to manage activities and maintenance.

These actions effectively set the stage for the establishment in 1992 of the Stephen Avenue Heritage Area Grant Program for the rehabilitation and economic re-use of the area's heritage buildings. The \$4.3 million Program, jointly funded by the Province and The City through the Downtown Development Fund, a non-mill rate source, provided grants up to \$200,000 for facade restoration to be matched by the private sector's rehabilitation of the buildings' interiors. Over the next 10 years, the Program resulted in the rehabilitation of 34 buildings and their return to active economic re-use and, recognition by the Historic Sites and Monuments Board of Canada in 2002.

The success of the revitalization of the Mall was further acknowledged nationally by the Globe and Mail<sup>1</sup> in an article identifying the avenue as the most successful urban precinct in the country, a fact that was further reflected in the area increasing role as a destination for local and regional tourists and conference attendees at the expanded Convention Centre.

The late 1990's and early years of the new century were the years of what was termed the "Alberta Advantage" a strong economic resurgence after the Province's

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<sup>1</sup> Globe and Mail, June 2002

downsizing and the elimination of a long-standing budget deficit. High energy prices further contributed to the city's economic vitality and a period of economic growth ensued that continued up to 2008 when a financial crisis in the United States triggered a world-wide recession, lower energy prices and, inevitably a shift in the economic vitality of the Stephen Avenue Mall. In 2014, a dramatic drop in the price of oil and ongoing price volatility, in combination with Alberta's inability to get heavy crude to overseas markets due to environmental concerns and the United States' return to the oil export market markedly affected the health and character of the Mall. Although the Mall remains fundamentally sound, the markers of downturn in the market cycle, business failures and vacancies in prominent locations continue to the present day.

### **Study Purpose**

The Report was prepared at the request of The City of Calgary to provide background context on the development and evolution of the 8th Avenue Mall, Calgary's historic commercial Main Street- present day Stephen Avenue. The City wishes to review the history of the Mall in order to consider the appropriate next steps to address the challenges of the future, a potential upgrading of Stephen Avenue's physical infrastructure and a reconsideration of the existing terms for vehicular access.

The Report is a series of snapshots, not an authoritative record, of the key factors and many influences on the evolution of Stephen Avenue Mall in the post war period and reviews how those influences were reflected in decision' of Council s and gave rise to the various iterations of the Avenue's physical form up to the comprehensive upgrade of the avenue concluded in 2002 with the designation of the Stephen Avenue National Historic District.

Commercial, social and physical conditions on Stephen Avenue are summarized by decade in the context of the following factors:

- Prevailing national and international economic contexts where applicable
- Provincial and local economic and social conditions
- North American post WWII downtown land use planning trends
- Assessment and taxation
- Social issues
- Council-approved planning policy

- Media commentary and popular opinion

### **The North American Planning Context: 1950-70**

Post-W.W. II downtown-planning trends emerged in metropolitan centres across the United States and Canada as civic governments sought to address the rapid growth of suburbs, and the resulting economic challenges they posed to traditional downtowns' commercial retail market share. Over a relatively brief period of time, the growth of new suburbs to accommodate returning war veterans and their families, the rapid expansion of associated transportation systems and the rise of suburban and regional malls, together with a general flight of the middle classes to modern suburban housing, severely challenged the hegemony of traditional downtown commercial centres.

By the late 60's what had been cities' main shopping districts with the highest assessed land values, delivering the highest rents and retail sales per square foot, and remitting the highest business and associated taxes to governments began to experience declines in retail sales receipts, a growth in vacancies, derelict buildings, social issues and, ultimately, crime after office hours. In this context strategies to revive downtown's and re-position them as "active people places" through the development of malls and plazas in city centres emerged across North America; successfully in some cases and less so in others.

For an approximately 20 year period beginning in the 1960's and ending in the early 1980's, over 200 pedestrian malls were developed in cities across North America as part of a city centre revival movement. By the mid-1990's approximately 30 remained. Of these 30, as in the Calgary case, virtually all underwent intense public scrutiny and debate that led to periodic upgrades and changes in response to new developments and shifting market conditions. During this period, comprehensive downtown revitalization initiatives were jointly undertaken by municipal governments and merchant's associations in an attempt to address the ongoing challenge of rapidly changing economic conditions.<sup>2</sup>

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<sup>2</sup> Pojani, Dorina, American Downtown Pedestrian Malls: rise, fall and rebirth.  
<http://www.researchgate.net/public/275887405>

## The Calgary Context 1950 - 1960

### Post War Boom, and the Emergence of Suburbs and Shopping Malls

In the five years between 1956 and 1961, the City of Calgary grew by 37.3 % largely attributable to the consolidation of the city as the national office headquarters of the administrative, planning and financial sectors of the oil and gas industry. The implementation arm of the industry was located in Edmonton. The concomitant growth of suburban residential and commercial development caused by the sudden growth of the energy sector and a booming economy initiated the steady decline in downtown's market share of retail and entertainment sales during the period.

#### Population

- 1946: 100,014
- 1951:129, 060
- 1956: 181,780
- 1961: 249,641<sup>3</sup>

### Provincial and Local Economic Context

The rapidity of change in Calgary's downtown commercial office and retail sector was due in large part to the following factors:

- Leduc Oil Strike of 1947, the influx of American energy interests in the 1955-1966 period and the consolidation of Alberta's energy sector in Calgary;
- Emergence of Calgary as Canada's "Energy Capital" driving high growth in downtown office development (approximately \$106,000,000 in downtown construction values between 1956 and 1968); and
- Development of the first and second rings of "suburban" development (Elboya, Britannia, Killarney, Wildwood, Mt. Pleasant, Brentwood); and the first regional shopping malls - Chinook Centre, North Hill and Westbrook Malls.

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<sup>3</sup> Statistics Canada

### **Downtown Snapshot 1958**

- Rapid high-rise development begins west of 4th Street W. on 8th and 9th Avenues to accommodate the energy industry's growth
- Downtown retains market share of Calgary's commercial, shopping, entertainment and hospitality industries but by the end of the decade begins to be challenged by Chinook and North Hill Malls provision of basic goods and services and a wide range of product offerings
- 8th Avenue landmarks include 4 major national commercial chains: Eaton's, The Bay, Birks, and Woolworth's
- Seven all day movie theatres are located on or adjacent to 8th Avenue
- Nine hotels abut or lie adjacent to 8th Avenue
- No vacancies on 8th Avenue and second and third floors and many basements are utilized commercially
- Downtown serves as a Regional Transportation Hub: CPR Main Station, 9th Avenue S.W. and Centre Street, handles 4 transcontinental trains and 4 regional lines daily and the Greyhound Bus Depot located on 7th Avenue S.W. and 1st Street S.W. serves regional, national and cross border travellers.

### **Downtown's "Accidental" Mall, 1958**

- City installs "Scramble Lights" at First Street West and Eight Avenue as a test to accommodate increased pedestrian and vehicular pressures at this main north/south and east/west junction
- City undertakes infrastructure improvements on 1st Street West and 4th Street West necessitating a closure of 8th Avenue and a re-location of trolley busses to 6th Avenue.
- In response citizens and downtown workers create a spontaneous "Mall" on 8th Avenue that is closely monitored by the media and City Hall
- Public and media response is highly positive referring to 8th Avenue as run-down, outdated, and in need of upgrading
- Mayor supports creation of a permanent Mall, Council requests the business community's opinion and an internal review of experience in Kalamazoo, Michigan and Toledo, Ohio - the first two successful and nationally known mall experiments in the U.S.

- The City of Ottawa investigates development of a Mall on Sparks Street and sends fact- finding committee to Kalamazoo Mich. Calgary City Council monitor findings
- Council, in consultation with Downtown Business Association, determines a Mall development is premature and further study is required
- City-appointed Traffic Advisory Board Committee supports a proposal for an experimental Christmas Mall on 8th Avenue however the Downtown Business Association strongly recommends against the initiative as members fear loss of revenues due to temporary transit re-routings necessary to facilitate the initiative and it is tabled

Discussions initiated in the second half of 1958 during the period of the "Accidental Mall " continued between the Downtown Business Association and The City over the next two decades. These discussions featured regularly in the media's response to citizen's rising concerns about the rapidity of growth and Downtown traffic congestion, the level of tax increases necessary to address rapid growth, the character of the existing downtown and proposals for its modernization in the context of an ongoing loss of downtown's residential community and the announced closure of its schools.

## **The Calgary Context 1960 - 1970**

### **Growth, Civic Centre Planning and Downtown's Market Share**

Between 1961 and 1971 Calgary's population grew by 64% placing stresses on the delivery of all aspects of municipal services and most markedly on transportation infrastructure. Traffic congestion was a recurring theme in all discussions in these boom years as the City worked to address citizen's and merchant's concerns with the development of one-way streets in downtown, timing of work to develop the Bow Trail connector to ease Downtown access and egress, the extension of services to new suburbs, and the first discussions on planning for a Transit System - initially assumed to be a Heavy Rail Subway System to go under 8th Avenue. At the beginning of the decade, Downtown retained its primacy as the centre of commercial retail interests but by the end of the sixties the core had lost significant market share to the suburban and regional malls as they began to offer a more diverse range of personal and

household goods and introduced higher end commercial offerings formerly only available in the Downtown.

Population:

1961: 249,641

1966: 330, 575<sup>4</sup>

1971: 403,319 <sup>5</sup>

**Provincial and Local Economic Context**

The sixties were characterized by high and rapid growth province-wide and beginning in 1961 the average per capita Gross Domestic Product grew by 10.5% per annum province-wide over the next forty years. <sup>6</sup> This leap in Alberta's productivity generated huge growth in residential and commercial development across the board and most particularly in Calgary where the stresses of growth were most evident.

**Downtown Economic Context 1958 - 1968 <sup>7</sup>**

The downtown commercial office core continued to expand westward due to the need to provide office accommodations for the energy sector and its supportive industries. As Downtown access to parking began increasingly to be affected by restrictive parking policies for new office construction and to markedly lose retail market share to the Malls, core area merchants, the Chamber of Commerce and the Downtown Business Association re-opened discussions with The City on physical measures to revitalize 8th Avenue through the development of a pedestrian mall and a series of mini-plazas to extend from 1st Street SE to 4th Street SW.

The future character of the downtown was a major issue throughout the decade during which The City undertook the first long term planning studies of the post-WWII period. The studies were prepared to provide for Downtown's orderly growth and development during an era of rising demands, the need to accommodate growth in municipal operations, consolidate its services and address deteriorating conditions in the eastern core area all of which was exacerbated by the inability of existing

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<sup>4</sup> Growth in population growth between 1961 and 1966 is partly attributable to the amalgamation of the towns of Forest Lawn, Montgomery and Bowness.

<sup>5</sup> 32% increase in 1971 over 1966 figures is real growth as determined by Statistics Canada

<sup>6</sup> Anielski, M. The Alberta GPU: Economy, GDP and Trade, Pembina Institute, 2002.

<sup>7</sup> The Calgary Herald, March 30, 1968

transportation and parking infrastructure to accommodate ever increasing traffic volumes in and passing through the Downtown.

### **Downtown Snapshot**

- In 1961, 74% of the city's cultural activities and community services and 67% of the city's hotels and motels are located in the Downtown and began to disperse by mid decade;
- Ongoing concentration of new high rise development west of 4th Street W on or adjacent to 8th Avenue to accommodate the energy industry raised City planning concerns for orderly growth and the necessity of maintaining a strong commercial retail and office core;
- In 1962, DT office floor space rises from 25.4% in 1953 to 44.4% for a total of 5.8 m. sq. ft.;
- By 1965 there were estimated to be 116,600 working Calgarians of which 42,900 worked Downtown and of that percentage, 28,800 worked in offices;
- High rise Development Permits Values 1958-1968 total: \$106,000,000.00
- High rise development approved or planned in 1968 are estimated at \$96,000,000.00;
- In response to competition from suburban commercial developments, DT increasingly specializes in higher value items;
- A marked and ongoing westward shift of commercial retail on 8th Avenue begins in response to decline of the commercial retail health in under-maintained older buildings east of Centre Street
- Downtown is increasingly viewed as a daylight destination as the core area resident downtown population declines, residential housing stock is demolished, schools close and social issues emerge

### **The Downtown Master Plan and the 8th Avenue Mall**

*The Downtown Master Plan 1965* (The Plan) was prepared in response to the challenges of rapid and potentially uncontrolled growth in the Downtown. It acknowledged that the core commercial area's future capacity to function as an efficient and cohesive commercial and administrative centre depended on the provision of an environment attractive to office workers which would, in turn, encourage companies to build new structures as close as possible to the city centre.

The Plan established the planning principles for the longer term development of the Downtown and its accompanying document *Development Manual, Scheme B*, 1967 outlined a proposal for a transformed multi-level Downtown, funded by three levels of government with contributions from the private sector. In doing so, it laid the foundation for many of the basic components of Calgary's present day Downtown.

The Plan addressed both:

- The initial concentration of new prestige construction for the energy industry west of 4th Street and the abandonment and increasing blight at the eastern end of 8th Avenue where outdated buildings dominated, and
- The need to ensure office workers' satisfaction by concentrating commercial office development in close proximity to Downtown stores, activities and entertainment.

The Plan envisioned:

- A multi-level downtown characterized by a comprehensive + 15 system integrated into all new development and providing for Downtown-wide connectivity, and the separation of pedestrian and vehicular movements to avoid increasing and undesirable conflicts;<sup>8</sup>
- Linkages from the +15 system to an open air pedestrian mall on 8th Avenue featuring a series of open plazas and squares, bounded by colonnades and arcades and linking the three principal downtown components, the Calgary Civic Centre, the Commercial Retail Core, and the Office Core within a lineal Downtown;
- Commercial retail, hospitality and entertainment functions clustered east of 4th Street West to concentrate commercial retail densities, and provide office workers convenient access between building complexes;
- Development of a Civic Centre at the east end of 8th Avenue predicated on a new Municipal Building, a nearby Federal Building, and Arts and Culture facilities fronting on large park-like Civic Square adjacent to or abutting the 8th Avenue Mall;

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<sup>8</sup> Development Manual for the Downtown Master Plan, 1965

- A future compact Downtown ultimately linked to the suburbs and accessed by an underground Heavy Rail Transit system running beneath 8th Avenue;
- North south connections to 8th Avenue with commercial retail uses at grade and interspersed with stairways leading to elevated plazas, a + 15 system and parking structures, and
- New development from 4th Street West to Mewata Armories on 8th Avenue providing mini-parks and other open areas interspersed with commercial uses catering primarily to office workers needs.
- Strict control of the amount and location of office parking through the development of parking corridors and public ownership of parking facilities to develop a Cash - in -Lieu for funding of public parking facilities.

In the following decades that vision materialized in a new and expanded Central Library, re-location of the Glenbow-Alberta Museum to 8th Avenue S.E., a Municipal Building, Olympic Plaza, the Performing Arts Centre, and a Convention Centre complex on the 8th Avenue Mall.

### **The Eighth Avenue Mall**

By 1968 downtown's market share had been sufficiently eroded to cause local merchants and the Downtown Business Association concerns. In response the Association entered into discussions with the City's Planning Department regarding the desirability of fast-tracking development of the pedestrian mall proposed in the *Downtown Master Plan*. The City's response was predicated on the assumption that a Transit Mall with no other vehicular traffic would be the optimum solution. This was not to be the opinion of the citizen's of Calgary and much of the difficulty experienced during the Mall's sequential development between 1968 and 1972, is traceable to The City's reluctance to treat the Mall as a separate pedestrian precinct and not as a regular city street entirely subject to the Highway Transportation Act.

The print media followed the progress of the Mall closely and reported that the City's unfamiliarity with this type of development and the necessary requirements for its success coupled with the many changes to the initial design that occurred during the

prolonged period of the Mall's development (3years from start of construction to completion) led, in end, to a result that satisfied almost no one.

### **Debate: Transit Mall or Pedestrian Mall -Whose Mall Is It Anyway?**

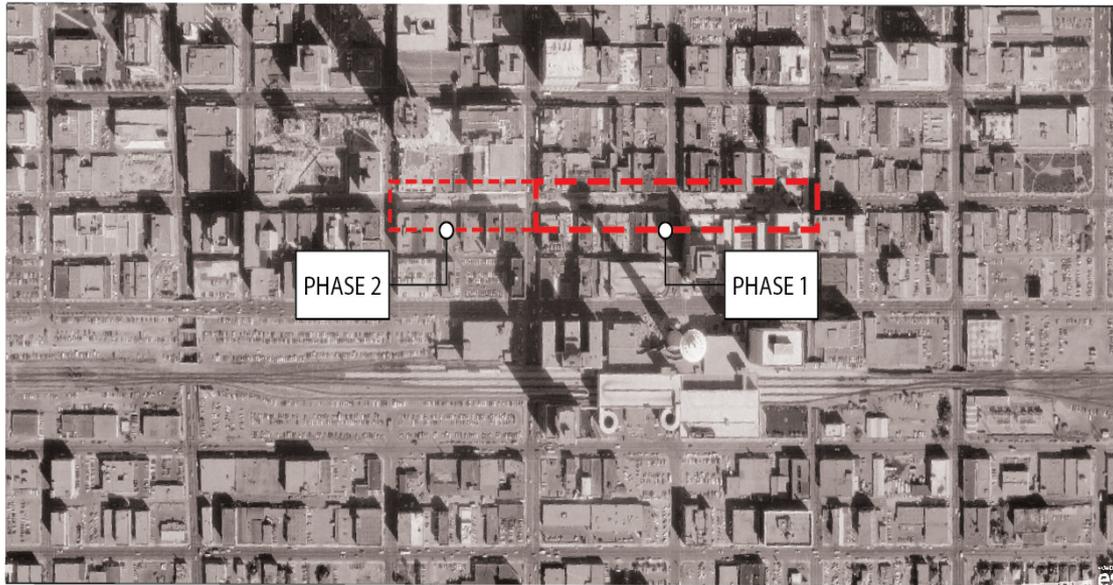
Construction of the Mall was initiated as a test in mid 1968 with retention of transit. Senior city officials continued to advocate for transit on the Mall due to potential congestion of Downtown's routes of access and egress. The matter was ultimately settled in 1970 in favor of a pedestrian only public amenity after a series of Public Hearings of Council during which citizens, the Downtown Business Association advocated unanimously for a pedestrian only precinct during business hours and the removal of all vehicular traffic excepting emergency and maintenance. Beginning in 1968 and over the coming years citizens took an intense interest in the development and operation of the Mall and the later development of a 7th Avenue Transit Corridor in 1973 for buses only replacing 8th Avenue transit service. The Transit Mall made parking for office workers and, critically for shoppers, less accessible (the lack of parking was further exacerbated when the Light Rail Transit system was introduced in 1981).

Approximately 50 articles appeared on the subject in the city's two major dailies media and over 26 editorials by the time of its completion in 1973 all of which overwhelmingly opposed continuation of transit on the Mall, decried delays and a lack of amenity during its first operational year - the public wanted a green civic commons and felt cheated by a street that was dominated by the intrusion of concrete planters and bench walls. The design of the Mall was "modernist" in character and featured a rough surface to accommodate transit and demark vehicular routes for emergency vehicles. The Mall remained closed to all private vehicular traffic for the next twenty years, a decision that, over the years generated considerable debate in the media and in Council Chambers right up to the time of its partial re-introduction in the first years of the 21st century.

## The Mall: Early Years and Growing Pains

The design of the Mall was modernist and heavily reliant on concrete for its structural elements that intruded into the pedestrian right-of-way. The elements were, over time, removed to facilitate maintenance, snow removals, and to allow for easier vehicular access for deliveries. Ultimately, the architect Gordon Atkins disowned the final result as bearing no resemblance to his original Council-approved proposal due to various City Department's requirements for standard roadways, requests for changes by the DBA and its larger commercial interests.

Other original proposals given consideration but ultimately rejected included plans for a heated floor plate to address snow clearances (tested during the winter of 1968/69) free-standing weather protecting glass arcades on both sides of the mall (installed on Ottawa's Rideau Street and later removed) and children's playgrounds and tot lots. Throughout the 1960's and up to the late 1970's there is, apart from isolated recognition of the importance of Downtown's heritage buildings in the *Downtown Plan*, little record of any civic discussion of a thematic historical approach to revitalization of the district nor was focus placed on the restoration of the historic buildings that lined its length despite the threat of ongoing demolitions of older commercial and residential buildings across the core north of the CPR mainline. That thematic approach would not emerge until the late 1970's and begin to take root in the 1980's as Main Street revitalization strategies emerged that focused specifically on economic potentials for the regeneration of historic commercial core areas.



**The Mall**

PHASE 1: 100 West and East Blocks 1969 - 1976

PHASE 2: 200 West Block 1977



8th Avenue Mall, 1973. Archives of the City Clerk



8th Avenue Mall, 1975. Archives of the City Clerk

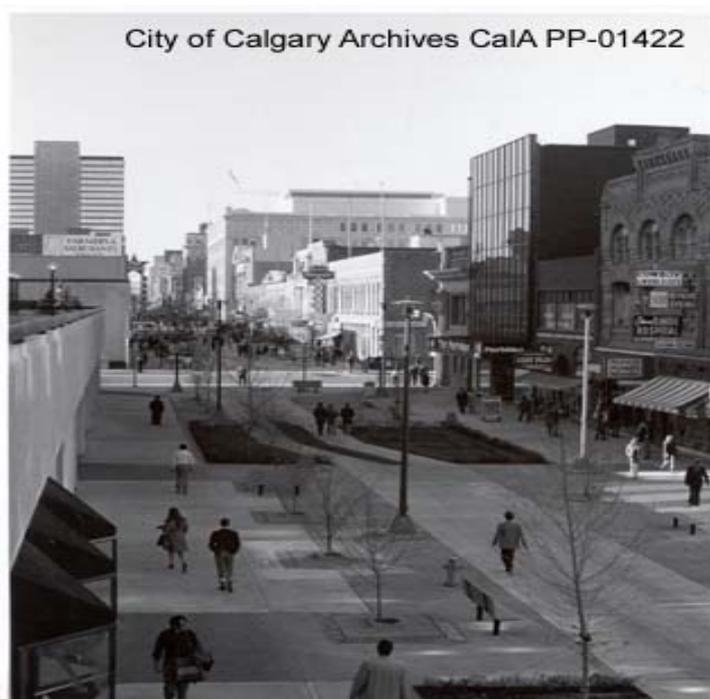


8th Avenue Mall, circa 1975.  
Archives of the City Clerk



City of Calgary Archives CaJA PP-01414

8th Avenue Mall, circa 1972. Archives of the City Clerk



City of Calgary Archives CaJA PP-01422

8th Avenue Mall, circa 1973. Archives of the City Clerk

### **The First Mall: Snapshot**

- In 1968, at the request of the Downtown Business Association, Council approves a feasibility study on mall development and identifies the Mall as the first phase of the *Downtown Plan* vision's implementation
- Gordon Atkins selected in 1968 to design the Mall for which he receives the Canadian Architects' Association Award of excellence in 1969 for addressing the issue of outdated city street systems
- Throughout 1968 and 1969 over 50 articles and 13 editorials and op-eds debate the first phase of mall construction focusing on the choice between a Transit Mall or a Pedestrian Mall
- Media surveys demonstrate that public opinion overwhelmingly favors a pedestrian only solution and after a series of Public Hearings at which the matter was debated, Council selects a transit free option between Centre Street and 2nd Street SW dependent on the Downtown Business Association's support
- The Mall, the first phase of which was to be complete in Fall 1968 is not fully complete until mid 1973 and undergoes many removals, alterations and additions over the next two decades
- Work begins at Calgary Place 69 on the first +15

### **Regulations and Key Planning Studies Affecting Downtown's Evolution <sup>9</sup>**

- *Calgary General Plan, 1963 (excluded the Downtown Central Area due to rapid peripheral growth)*
- *General Plan Revision, 1965*
- *Downtown Master Plan, 1965*
- *Calgary Metropolitan Area Environmental and Transportation Study, 1965 (Interim Report on Downtown Master Plan and General Plan Provisions)*
- *The Future of Downtown Calgary 1966*  
This document's recommendations for Downtown parking provisions cannot be underestimated in its effect on The Mall and the retail market sector.  
*Downtown Development Guidelines (Technical Edition), 1969*

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<sup>9</sup> Reports held in Archives of City Clerks, Civic Reports

### **Parking in the Downtown**

In 1968 Council established the Calgary Parking Authority (CPA) to manage public parking. The central premise of the *Future of Downtown Report*, 1966 was the goal of a strong and compact Downtown and parking policies were crafted to support that goal and prevent decentralization of the existing office market. The implications of an ongoing western shift of new office construction due to the energy industry's rapid growth west of 4th Street West in the late 1950's and early 1960's was a concern.

Between 1972 and 1985, the City's restrictive parking policies allowed minimal public parking in new office development - Scotia Centre and TD Square are good examples of the policy's effects- that further constrained shoppers access to Downtown's on street retail outlets. The CPA responded by introducing a variable parking rate (\$.50 per hour - monopolized by Downtown employees) and \$2.00 after 5pm with free parking on weekends. These decisions, in combination with the growth of the +15 system in the coming decades created an increasingly challenged future environment for The Mall's merchants.

### **The Calgary Context 1970 - 1980**

#### **Oil Shocks, An Alberta Boom and Decline of the 8th Avenue Mall**

Across North America 1970 marks the end of the Post W.W.II Boom, the peak of U.S. oil production and the beginning of a rising North American dependence on foreign sources as demand outstrips supply and increasingly began to import from offshore sources. The export markets for natural gas however strengthened in the period and remained a key Canadian export. In this context, the economic shock of the OPEC oil embargo of 1973 set the stage for more than a decade of high oil prices, double- digit inflation and high unemployment in all sectors of the developed world. Conditions were further exacerbated in 1978-79 by the high volatility of oil prices subsequent to the Iranian Revolution of 1978-79.

For Albertans the high price of oil and gas was a mixed blessing setting the stage for a made in Alberta boom that was followed by severe recession in the following decade. Between 1970 and 1980 there was a 46% increase in Calgary's population and the stresses of growth were evident throughout the city in all sectors. In this economic

climate Alberta as an oil producer continued to benefit from higher prices while at the same time Eastern Canada's economy stagnated. Alberta's benefit from rising oil prices was however, offset by high interest rates, surging house prices and an overheated commercial office environment as Class A office space demand briefly outstripped supply in 1972, 1974 and again in 1978. The industry's efforts to meet the demand set the stage for a total collapse in commercial office development after the institution of the National Energy Policy in 1980.

#### Population 1970

389,000

1975: 457,000

1980: 568,000

#### **Downtown Context**

The early years of the decade are marked by the start of construction on Bow Valley Square followed by Scotia Centre and TD Square that in combined total add new square footage for 130 stores. The resultant internalization of commercial retail operations due to the growth of the +15 system led to ever increasing vacancies on the 8th Avenue Mall and an ongoing marginalization of its remaining small business interests - only one high-end commercial interest remained on the Mall at the southeast corner of 1st Street. S.W. in 1970, at which point Calgary had the highest commercial retail sq. footage for the size of its population of any Canadian city.

#### **Key Developments and City Actions in the Downtown**

- The Development Control Bylaw mandates +15 development and plazas in all new DT development
- The first major high-rise on the Mall, Nova Scotia tower is completed in 1974 and in combination with the linking development of TD Square provided shoppers with the ability to walk from The Bay second floor through to 3rd Street SW in climate controlled comfort
- Devonian Gardens, a new internal interior park/open space amenity at the +30 level is developed in conjunction with the TD Square as a civic park funded and maintained by Calgary Parks. The Gardens have the effect of providing Downtown's workers with a pleasant open space - warm in winter- further affecting The Mall's traffic counts

- 8th Avenue Mall is extended from 2nd Street West to 3rd Street West in 1977
- The Calgary Convention Centre is proposed as a Centennial Project for the 100 East Block, in combination with a new hotel development at Centre Street on 9th Avenue S.E., necessitating demolition of all the original buildings in the 100 East Block of 8th and 9th Avenues and raising public concern's about the loss of the city's historic character
- City plans are released to the public for a 3rd Street pedestrian corridor with limited vehicular traffic, to connect 8th Avenue Mall with planned development planned in the former residential community of Eau Claire
- Vacancies on the Mall increase and expand east and west from Centre Street

### **Condition and Retention of Historic Built Fabric**

From the mid 1970's onwards as commercial retail and office development continues unabated, the Mall is viewed as being increasingly vulnerable to development interests due to its centrality and a land use permitting higher allowable densities than the existing historic building stock. Increasing numbers of articles appear in the local print media on the desirability of saving Downtown's large collection of historic buildings.

In this environment, the Province steps in to strategically designate 4 key mid-block and corner buildings in the 100 West, and 200 West Blocks of the Mall to prevent large scale block busting and the consolidation of large land parcels for commercial development. This action essentially puts a freeze on the 100 West Block and in 1978 restoration of the 100W block is proposed by U. of C. Faculty of Architecture and Environmental Design in the *Stephen Square, A Concept for an Historic District in Calgary*, a report that is widely circulated to the media. By the end of the decade a small number of the area's original buildings have been modernized and partially upgraded.

Over the next twenty years, as popular interest in the history of The Mall grows and is reflected in the press, the street came to be popularly referred to as Stephen Avenue Mall and by the mid 1980's, reports commissioned for the Planning and Building Department on the subject of the Mall came to reference the historic street name.

Research has failed to identify a specific date the matter was officially addressed by The City.

### **The Mall: The Challenge of Implementation and City Control**

The 1970's were learning years for The City, the DBA, Mall merchants and the Calgary Police as they dealt with both the precinct's day- to- day and seasonal realities. In this context the long delays and continuing physical changes arising from the decision to remove Calgary Transit to create a solely pedestrian mall created controversy and divided opinions. Public perceptions of the attractiveness of the new installations, the social health of the district as a civic amenity during a decade of social upheaval further contributed to difficulties in the first years of the Mall and may be traced to the following factors:

- Social unrest in universities and riots in major metropolitan centres in the U.S. due to the ongoing Vietnam War were echoed, to a limited extent in Canada, established a climate of caution for city government's across Canada as the country's leaders increasingly faced opposition for policies that were seen as out of touch, arbitrary and paternalistic by a new generation of young adults.
- The question of whom the Mall was intended to serve is first raised in 1970's due to an annual congregation of youth, including travellers and hitchhikers, on the Mall during summer months and the public's response to their treatment by the police in efforts to assert control and charge for minor offenses. The police's responses are the subject media articles and op-eds as public opinion divided over their presence on the Mall.
- The City, at the request of the Downtown Business Association, moves to reclassify the street to control activities and consecutively proposes two regulatory bylaws which in turn are defeated at Council
- Neither the Provincial Highway Traffic Act or the Streets Bylaw authorize the use of a public street as a Mall or gathering place and to address this issue Council successfully passed a Mall Bylaw in 1976 vesting authority for approvals of all Mall activities in the then Board of Commissioners. In the first years merchants and the public felt that the process for application to conduct activities on the Mall was restrictive and arbitrary.

## Social Issues Emerge

- At the time, political activity on a public street- the Mall was and is The City specifically forbade a street- for fear of uncontrolled crowds in an area with limited access and many physical hazards (planters, benches and street furniture). This led to a media debate on citizens right to free speech and an appeal to the Alberta Supreme Court that was denied. The City however, was warned that, "should discretionary power vested in the bylaw be used either unconstitutionally or unreasonably there would be judicial recourse".
- Public complaints and media comments in reaction to police responses to perceived loitering, panhandling for small change, the emergence of street buskers and littering, led the DBA and unaffiliated merchants' to request a fast-track appeal process that was finally instituted in 1978 after considerable media debate and a court case centering on the right to free speech.
- An editorial in the Calgary Herald challenged The City to " decide how to allow the widest possible latitude in the public use of the Mall; how to make it truly a people place" and that "determining that no political demonstrations should be allowed at all ... might make bureaucratic sense but it is no way to run a free society".<sup>10</sup>
- Night time safety concerns on the Mall and in Downtown begin to appear in the media during the decade
- Social issues are again raised after The City denies occupancy for a Native Alcoholic's Treatment Centre on the second floor of a City-owned building in the 100 East Block in response to the main floor occupant's objections. Prior to the construction of the Municipal Building, 8th Avenue terminated at the site of Fort Calgary and it is a little remembered fact that 8th Avenue S.E. was historically a congregating point for the urban native population and visitors from surrounding Reserves
- "The City is For People" organization, a coalition of socially concerned Calgarians wins a permit to conduct a Citizens' Forum on the Mall concerning ongoing evictions of downtown's residents from marginal housing due to new developments, air pollution, traffic congestion and a perceived deterioration of the quality of life in the city during the boom years of the decade

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<sup>10</sup> Calgary Herald, 05/10/78

- Later in the decade, in an effort to address media concerns surrounding the right to free use of The Mall by all Calgarians, The City installs a "Speakers Corner" platform stage in the 100E Block that, in the end, is little used for its stated purpose

### **Mall Merchants' Concerns**

- Relationships between Mall merchants, the DBA and The City are characterized by mistrust throughout a decade of increasingly diminishing returns for Mall merchants. A Calgary Herald survey of Mall merchants reveals disagreements over what constitute an acceptable Mall activity, a strong feeling that the DBA represents the commercial interests of the larger holdings including Scotia Centre, TD Square, The Bay and Eaton' and the +15 merchants. These - feelings that are exacerbated by the shift of viable commercial concentrations away from the 100E and 100W blocks
- In this context the remaining Mall merchants and the DBA respond by creating Mall Days in Summer to provide outlets for merchant's in temporary kiosks, and to increase street activity and pedestrian traffic numbers
- By 1972 business taxes and licensing charges and rising property taxes drive the costs of lease renewals higher due to development pressures, and lease renewals that increasingly contain 6-month notice clauses in the event of sale or demolition. Additionally, sharp rises in rental rates - as high as 45% in some cases- threaten to drive smaller business interests from the Mall.
- Parking availability (due to the CPA/City restricted parking policies) and cost increases in the Downtown parking costs trigger increased calls for new parking provisions in the Downtown to address employee's and shopper's needs

### **City Reports and Regulations Affecting Downtown's Evolution<sup>11</sup>**

1976: *The Mall By-Law No. 155/76*

- The By-law Provides for a Mall from the West side of 1St SE to the E side of 2nd Street SW and in 1978 the Mall is extended to the east side of 3rd Street West to accommodate TD Square and the proposed development of Banker's Hall

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<sup>11</sup> The cited reports are held in the Archives of the City Clerks

- Council delegates control of all things permitted or to be regulated or prohibited on the Mall to the Board of Commissioners including all political activities, donations, solicitations or gatherings, parades, all commercial activity, and performance activity with the proviso that Commissioners "may consult" with the DBA on all matters of concerns to the DBA generally.

1978: *The Calgary Plan*

- Provides The City of Calgary's first statement specifically citing commitment to heritage conservation

1978 *Municipal Heritage Conservation Framework*

- Established position of Heritage Officer and a Heritage Advisory Board (now amalgamated with CMHPA to form present day Calgary Heritage Authority)
- Provides for development of a data bank, a process for the inventory and evaluation of resources

1979 *Calgary Civic Centre, Concepts and Principles, Vol. 1*

- An Urban Design Concept for a Civic Centre located on lands bounded by 1st and 3rd Streets S.E.; 7th and 9th Avenues S.E. to include a major public open space, facilities for the municipal administration, and the Performing Arts and other potential development to contribute to the vitality of the eastern end of the 8th Avenue Mall
- The Concept Plan included consideration of the retention of historic buildings on the site, extension of the Downtown +15 system, unimpeded implementation of the first phase of a Light Rail Transit system and recognition of the easterly two blocks of the Mall as a transition area to a planned East End (present day East Village) residential community
- In 1979 the envisioned development of a new Civic Centre is taken to a plebiscite and is rejected. The Civic Centre had been proposed to extend up to the middle of the 100 East Block. The scale and cost of the proposal was a major issue that was extensively debated.

## **The Calgary Context 1980 - 1990**

### **National Energy Policy, Economic Collapse and Mall Decline**

The National Energy Policy, established by the Federal Government in 1980 to both level the provision of economic and social benefits across the nation and create a

made- in- Canada price for oil not dependent on fluctuations in world oil prices led, within weeks of the announcement of the NEP, to the total collapse of Alberta's energy boom. During the first years of the NEP Calgary's economy experienced a rapid and extreme contraction generating severe depression across all sectors leading to drastic job losses and double-digit unemployment due to the level of its dependence on the energy industry.

The first years of the decade were characterized by a collapse in the value of real estate -up to 46% in a housing market that was over-leveraged due to the record high interest rates of the late 1970's, cancelled developments, and a retreat of the construction industry in an over-saturated office market. Vacancies in the Downtown Office market ranged from 13% to 42% and rental rates in some first class office space in the downtown core fell by up to 40%. High unemployment rates continued throughout the decade exacerbated by ongoing turmoil in the energy industry.<sup>12</sup>

#### Population<sup>13</sup>

1980: 568,000

1985: 656,000

1990: 738,000

#### **The Mall: Nadir and Formulation of Revitalization Efforts**

The effect of the decade's economic downturn in combination with the ongoing transfer of commercial retail interests to the +15 system marked the low point of the long and sustained decline in vitality and economic health of the 8th Avenue Mall. A significant bump in souvenir and food and beverage sales activity occurred during the 1988 Winter Olympics when the Mall served as the pedestrian corridor to and from medal ceremonies in Olympic Plaza. Visitation to the site continued for a period of a few years but had no significant long-term effect on the vitality of the Mall.

In 1988, the combined shopping area of the "Downtown Connection" (The Bay, Scotia Centre, TD Square, Eaton's (present day Holt Renfrew) was equal in size to Chinook Centre thereby confirming the inevitable transfer of Downtown's primary

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<sup>12</sup> Summarized from City of Calgary Economic Review and Local Indicators 1982 -1986

<sup>13</sup> Statistics Canada

retail outlets westward and upward to the +15 environment. In the 1980's the highest Downtown pedestrian count was no longer on the Mall at 8th Avenue and First Street West but had re-located to the +15 connection between Scotia Centre and TD Square. By the end of the decade the Mall was characterized by vacancies on all floors of the area's historic building stock, marginal business interests, culminating in two nightclub and bar-related murders.

From that point forward the avenue was confirmed in the eyes of the media and the general public as a place to pass through in business hours - over 35,000 persons passed daily but was considered to be a dangerous no-go zone in evening hours. The Mall was generally seen as a demonstrable failure that, in its diminished economic and derelict state, failed to meet any of the objectives for which it had been created in 1968.

This generally agreed upon civic failure, and the social factors and dangers associated with it, galvanized The City, the DBA, the Chamber of Commerce and other Downtown entities to work together in a concerted effort to consider the multiple reasons for the Mall's current failure, to analyze its potential strengths and weaknesses and identify a range of potential remedies to achieve a revitalization of the Downtown core and a regeneration of the Mall's economic potential. In response The City initiated a renewed consideration of the area's economic problems and the development of a series of strategic studies and actions that, by the end of the decade, laid the foundations for a comprehensive and sustained rehabilitation and revitalization of The Mall

### **Key Council Approvals and Reports<sup>14</sup>**

The following Council reports and documents, commissioned and approved by Council between 1980 and 1990, may be cited for their influence in initiating and guiding actions by the public and private sector focused on initiating a turn-around in the Mall's economic health:

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<sup>14</sup> Documents held by Archives of the City Clerks

Core Area Policy Brief 1982, as amended, Office Consolidation 1996

- Provides for a 7metre right-of-way and setback within the 100 West Block that must not be overshadowed by development from 12.00 noon to 2:00 p.m. MST on September 21 (in effect preventing new construction above 3 storeys on the south side of the block)
- Identified the area from 1<sup>st</sup> Street East to 1<sup>st</sup> Street West on 8th Avenue as a Special Heritage Area, established a policy for the transfer of density rights from heritage buildings within the Special Heritage Area to receiving sites within the CM2 District, recommended the retention of the "significant features" of heritage buildings and any new buildings should reinforce the character of the area - Note: the City at this point in time assumed the re-development of a large portion of 8th Avenue was the most likely future scenario
- Introduced the opportunity for glazing over and possibly enclosing portions of the Mall in the 200 West Block arising from a Development Permit Agreement for Bankers Hall containing a commitment to construct a 3 storey Galleria spanning the Mall to link the north and south sides- Note: the plan for the Galleria was subsequently abandoned and addressed through the installation of a major sculptural element, " The Trees of Stephen Avenue", at the developer's cost

"Circa 1912 Theme Area Sign Policy", Land Use By-law Amendment, 1991

- By-law provides specific guidance on an acceptable range of signage for the consistent design treatments in support of the evolution of a "Circa 1912 Theme" revitalization of the Stephen Avenue Mall.

0D87-113: Use of Funds From Sale of Disposition of Public Lands and Air Rights

- Authorized the revenue from the lease of air-rights and setbacks from commercial use to be transferred to the non- mill rate Downtown Improvement Fund
- Approved expenditures on the fund for the extension of services to food kiosks on Stephen Avenue
- This approval established the principle of the use of the funds for work undertaken in support of the revitalization of Stephen Avenue Mall

Streetscape Revitalization and, in the next decade, the Stephen Avenue Heritage Area Society Fund for Facade Restoration

- Approval of the Calgary Downtown Association (Downtown Business Revitalization Zone) - subsuming the DBA and incorporating the Stephen Avenue Board

The following studies commissioned by The City or by the Planning and Building Department of the era, may be cited for their influence in initiating actions by the public and private sectors that set the stage for the turn-around of the Mall's economic and physical conditions that emerged in early 1993 and culminated in the designation of a portion of Stephen Avenue by the Historic Sites and Monument Board of Canada as a National Historic District in 2002.

*Calgary Downtown Development Newspaper Questionnaire for City Hall /Civic Centre Area*

- 72% of respondents state it is "very" or "fairly" important to separate pedestrian and vehicular traffic in the area of an extended 8th Avenue

*Stephen Avenue Mall Facade Study, 1985*

- Provided guidelines for facade rehabilitation and restoration, addressed maintenance issues, code implications for adaptive re-use of upper floors and provided a range of cost estimates

*Stephen Avenue Mall Market Study 1986, Urbanics Consultants Ltd.*

Findings determined that:

- Downtown ranked sixth in terms of citizen's shopping preferences
- Roughly 50% of Calgarians never shop on 8th (Stephen) Avenue and of those who do, 3/4 shop there rarely
- The Mall is considered a retail area as opposed to a public open space
- The Mall is appreciated for its open air atmosphere and as a pedestrian precinct but is disliked for the presence of "street people", panhandling, loitering, and most importantly the ongoing inconvenience of access to the area

- Interviewees indicated a desire for a wide range of goods including apparel, accessory, sporting goods and specialty retail and services including quality restaurants and entertainment facilities
- The most favored response to questions regarding its future treatment recommended, " making the historical buildings the focus of a physical theme for the Mall"

*Concept Design For Stephen Avenue Mall, 1987, Simpson Roberts for City of Calgary*

- This key study proposed a comprehensive "Circa 1912 Theme Area" design treatment of the street and all its physical elements including the building facades and outlined a comprehensive philosophical and design approach to the physical redevelopment of the Mall that recommended re-introduction of vehicular traffic to the avenue in the evenings and the extension of electrical services into the buildings street frontages to permit full service patio cafes during day and evening hours thereby providing security and eyes on the street in the problematic evening hours.

NOTE: The approval of the proposal for reintroduction of vehicular traffic after business hours cannot be over-emphasized. It was a key factor in the success of revitalization efforts, allowing on-street parking, drop offs and reconnaissance drive through for potential customers of shops, cafes and for restaurants.

*Consolidation of the Stephen Avenue Mall Revitalization Report, 1988, City of Calgary*

This key document summarizes all the relevant studies, actions and Council decisions undertaken during the decade in support of a revitalization of Stephen Avenue Mall and provides recommendations and identifies parties responsible for undertaking recommended actions. The report is notable for its holistic acknowledgment that the term "Mall" is not restricted to the open space of the avenue but includes building frontages facing onto that space and the internal spaces of the buildings themselves.

The report considers the main functions of the Mall to be:

- An open space

- A retail district
- A major entertainment centre
- A tourist attraction and heritage district

The report analyzes the impact of the Mall's condition as of 1988 and its ability to fulfill those functions and recommends a series of remedial actions including:

- Establishment of a Business Revitalization Zone to provide a framework for collective action by Downtown interests
- Definition of a mix of uses best able to attract customers with a focus on food, beverage operations to include evening hours
- Improving the physical condition of the Mall and its historic buildings to create an ambience capable of attracting large numbers of visitors
- Ensuring the Mall is well maintained, well lit, well policed and easily accessible

*Calgary Community Tourism Action Plan, 1989*

- Recommends a thematic approach to the revitalization of historic Stephen Avenue Mall in support of Western Cultural Heritage Tourism

## **The Calgary Context 1990-2000**

### **Recession, Market Re-Assessment and Regeneration of the Mall**

In 1992 Canada and the developed world entered into a major recession generated in part by the collapse of Olympia & York, the world's largest real estate company and the receivership of its flagship development, Canary Wharf. The recession marked a downward adjustment in the value of real estate values nation wide that was felt most profoundly in Calgary. Weak retail sales contributed to the failure of numerous retail stores and an increase in vacancy rates in Calgary's shopping centres. Vacancies rose in the Downtown +15 system by up to 9.6% that year.

In 1992, the Alberta Government had not balanced its books since 1985, its debt stood at 8.3 billion, unemployment rates rose to 9.5% and interest rates remained above 5%. These conditions set the stage for a radical downsizing and restructuring of

provincial government services in Alberta that, in turn, filtered down to affect the bottom line of municipalities across the province. Calgary was no exception.

### **The Alberta Advantage**

By the second half of the decade this restructuring set in motion a period of high commercial development activity that was nationally advertised as the Alberta Advantage. The reduction in debt enabled new government spending that, coupled with a Provincial reduction in business and personal tax rates and a move to a single tax rate for all Albertans brought new business to Calgary and in-migration figures began to climb to new annual heights. In 1992 Calgary ranked third in Canada as a major head office center.<sup>15</sup> Shifts in Calgary's population towards suburban areas created new demands for neighborhood shopping centres and at the beginning of the decade several new major developments had been approved including West Hills/Signal Hill Regional Shopping Centre and Dalhousie Station Shopping Centre in the NW quadrant.

### **Re-assessment and the Stephen Avenue Heritage Area Program**

In this economic context, The City started a process of reassessment of commercial property to more accurately reflect market values. For the commercial property fronting on the Mall this readjustment of property taxes had the effect of creating a positive environment for lease and rental rates and ultimately made reinvestment in the rehabilitation and adaptive re-use of the historic buildings in the district a viable prospect. The values of some prime properties were reduced by up to 50%. In the 1980's the former Bank of Montreal on Centre Street was valued at \$2.5 million; in 1992 it sold for less than half that amount.

The reassessment, in combination with the development in 1992 of a \$2.5 million grant program jointly undertaken by The City and the Province with the support of property owners, the Calgary Downtown Association and United Management, laid the groundwork for a regeneration of the area over the decade.

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<sup>15</sup> Financial Post, Summer edition, 1992

### Population

1990: 738,000

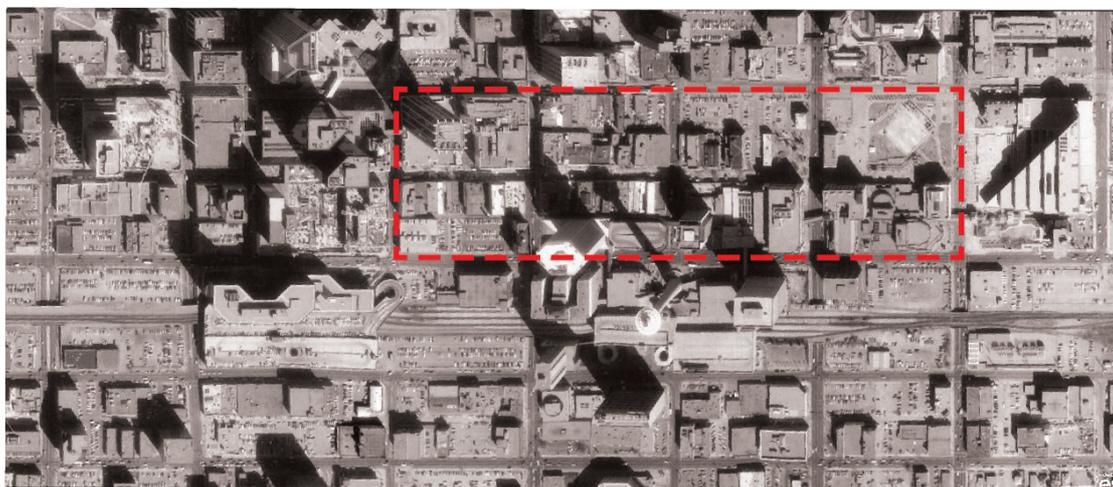
1995: 833,000

2000: 899,000

### **Downtown Snapshots**

In 1990, the opening of Bankers Hall added an additional 40% of shopping area to the existing commercial retail square footage of the "Downtown Connection" (The Bay, Scotia Centre, TD Square, and Eaton's Centre (present day Holt Renfrew) thus surpassing the size of Chinook Centre. This addition of high end and specialty retail virtually concluded the transfer of Downtown's primary retail outlets westward and upward into the all weather climate controlled +15 environment.

At the beginning of the decade, despite an ongoing \$3.3 million dollar "Circa 1912 Theme Area" upgrade of the 200 and 100 West Blocks of the Mall in support of the Special Heritage Area established by Council, and free parking provisions after hours on the weekend at the City, no new commercial outlets or business interests had been established on the Mall. Commercial space on the Mall in the early years of the decade was leasing for as low at \$10 per sq. ft.



**Core Area Initiative Boundary 1980**

### **The Mall and The Stephen Avenue Heritage Area Program**

In July 1991, Council approved funding from the Downtown Improvement Fund for a two party agreement between The City and the Alberta Historical Resources Foundation for the establishment of a 3 year grant program of facade restoration for

historic properties lying within the Stephen Avenue Heritage Area Program boundary to provide matching grants to the owners of heritage buildings and enable the rehabilitation, restoration and return of their commercial holdings to economic re-use.

The Program was designed as the last of several strategic steps in the implementation of an action plan first outlined in the Council-approved *Revitalization of Stephen Avenue Mall Report*, 1988. The Report had identified that the fundamental public objective for the Downtown is to strengthen its role as the Centre of the City.

By 1993 the following remedial steps had been put in place or were in development:

- The Calgary Downtown Association (CDA) was in place to undertake initiatives in promotions and strategic retail recruitment
- The Stephen Avenue Board of merchants and property owners was formalized to function as a sub-committee of the CDA to manage the day to day operations of the Mall including maintenance (jointly funded by The CDA and mall merchants-), street activities, and the rental of food kiosks;
- The \$5.54 million comprehensive "Circa 1912 Theme" upgrade jointly undertaken by The City and property owners under a Local Improvement By-law was completed of the key heritage areas of the Mall (100East to 200West Block);
- The Mall had been extended to 4th Street West and upgraded as part of a development agreement; and
- Work was underway on the development in the 100East Block of a newly expanded Calgary Convention and Tourist Centre linked with the development of the Hyatt Regency Hotel that incorporated 5 key heritage buildings in the comprehensive development of the Block.

In 1992, the establishment of the Stephen Avenue Heritage Area Heritage Area Society under the Societies Act, guided by a Council-appointed board of professionals with restoration and construction expertise was in place to dispense matching grants up to a maximum of \$200,000 for facade rehabilitations. The establishment of the Grant Program addressed the final key objective identified in the *Revitalization of the Stephen Avenue Mall Report*: the rehabilitation of 34 historic

buildings and their return to active economic use. The Society strategically did not make designation under the Historic Resources Act a condition for grants on the basis of two premises:

- That such a requirement would deter investors wary of a curtailment of property rights; and
- The certainty that the dramatic changes that full period restoration of the 100-year old sandstone buildings would have on the character of the street and the character of new business interests and, in turn, on public and media perceptions of their significance to Calgary would, together with the Province's strategic designations in the previous decades, forestall future redevelopment pressures.

Calgary's commercial development community was initially slow to participate - the two decade long decline of the Mall's fortunes had blunted commercial interest locally. Out-of- province business interests, who saw, more clearly than Calgarian's, the commercial opportunities provided by, undertook the first two projects on the Mall:

- Dual frontages on the Mall Olympic Plaza across from the Calgary Centre of the Performing Arts; and
- The traffic count of 60.000 cars daily travelling at 30km/hour past the northwest corner of First Street West occupied by the former Bank of Montreal.

### **The Re-Introduction of Vehicular Traffic**

The reintroduction of west-bound traffic in the evening hours, initiated in 1990 and completed in 1994 set the stage for a rapid revitalization of the streets economic health and over the remaining years of the decade the Mall, between 2nd Street West and 1st Street East, filled in at a steady rate annually as a wide range of new higher end business interests saw the revitalizing avenue's potentials due, in large part to the reintroduction of evening vehicular traffic. In 1996, in recognition of the success of the Program, the Province and City Council approved a 3-year extension of the Program to 2002. By that time, the reintroduction of cars and the development of art galleries, wine bars, restaurants with full service patios in warmer weather and second

floor conversions to residential use had radically and positively altered the character of the street.

## **2000 - 2010**

### **Collapse of the Alberta Advantage, World-Wide Recession and the Stephen Avenue National Historic District**

At the beginning of the decade Alberta's growth was estimated to be more than double the Canadian average.<sup>16</sup> Oil and gas activity buffered the province from a general slow-down in manufacturing activity across North America. High in-migration and rising incomes pushed retail sales growth above 9% from the late 1990's and up to the mid-point of the first decade of the new century. In 2000 Calgary's Downtown and the newly revitalized Stephen Avenue Mall were healthy and thriving and clearly benefitting from the economic renewal the Province's debt reduction program had generated. In 2000 the Downtown was cited as one of the largest and most influential business centres in North America with 69 corporate head offices, 32 million square feet of office space, over 3,500 businesses and an estimated 90,000 workers.

#### Population:

2001: 878,866

2006: 988,193

2011: 1, 096,833

#### **Downtown Snapshot**

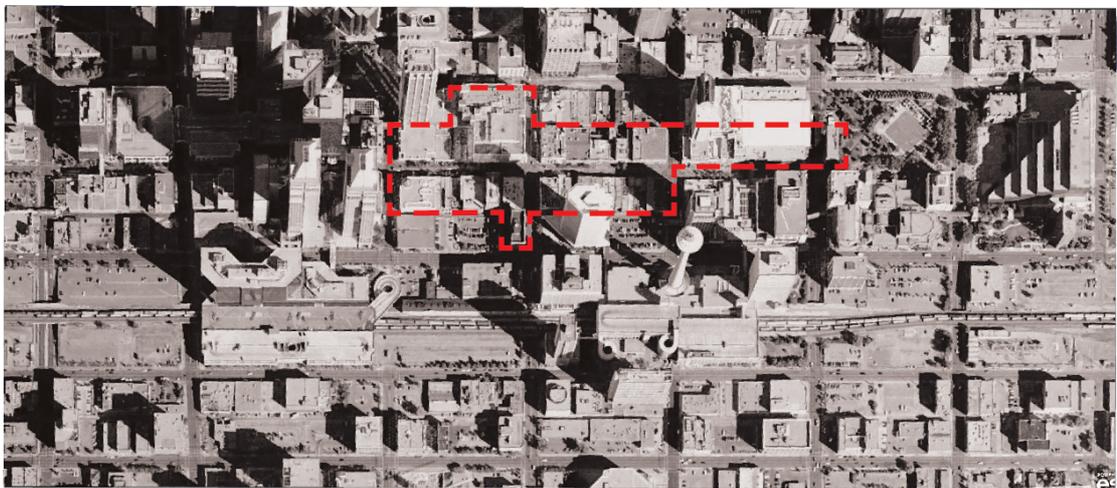
- In 2001 Stephen Avenue Mall was acknowledged by the Globe and Mail to be Canada's most successful Mall and its best downtown urban open space.<sup>17</sup>
- In 2002, the restoration and return to active economic use of the historic buildings of Stephen Avenue was complete. There were no vacancies and the second and third floors of buildings had been rehabilitated and were occupied by new business interests.
- Thirty-four buildings were fully rehabilitated and over \$50 million dollars had been expended by the private sector on the rehabilitation and adaptive re-use of building interiors to meet the needs of businesses at the beginning of the twenty first century.

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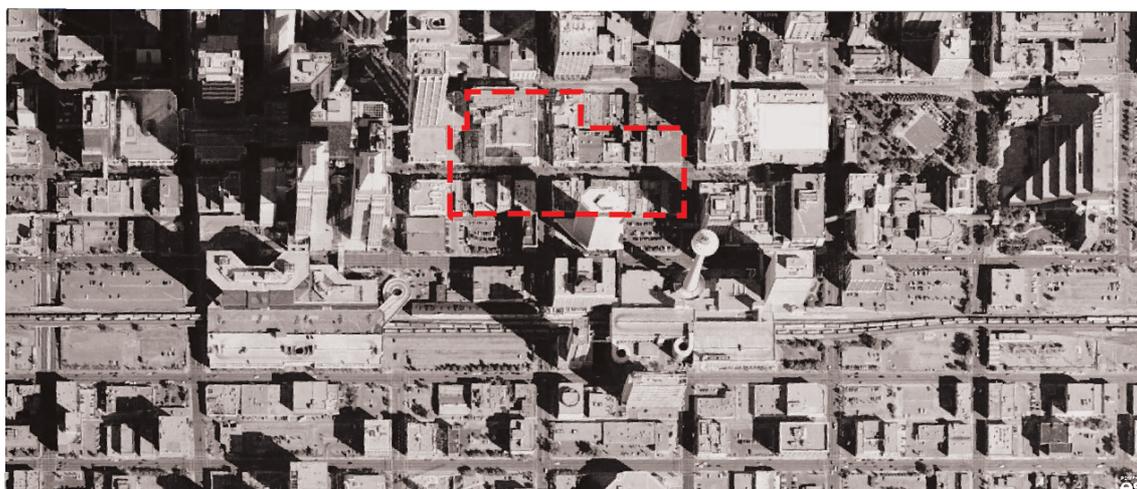
<sup>16</sup> Calgary Economic Outlook 2002-2007, Corporate Resources, City of Calgary

<sup>17</sup> Globe and Mail, July 16, 2002

- Market valuations had risen markedly over the previous decade and by 2002 were matching price valuations of earlier decades and rental and lease rates had risen in tandem as the district continued to regenerate and become a major focus of Calgarian's and tourists alike.
- In 2002, the Historic Sites and Monument's Board of Canada designated a portion of Stephen Avenue as a National District - the first such designation in the Prairie Provinces.



**Stephen Avenue Heritage Area Society Boundary, 1993**



**MAP: Stephen Avenue National Historic District**

## 2000 - 2014

### Boom and Recession Redux

The strength of the revitalization of Stephen Avenue Mall and the health of its new businesses provided Calgarian's with new shopping amenity and proved to be a local and regional tourist destination. The construction of the new Convention Centre together with the development of the adjacent Hyatt Regency Hotel brought new activity into the district. During the decade, assessed property values rose in tandem with lease rates and the second floors of the area's buildings continued to redevelop for commercial use.

In 2008/9 a collapse in the under-regulated American financial markets triggered a global recession the effects of which continue to be felt in some sectors. Of the major economies, Canada was the least affected due to a more rigorous regulatory framework for its banking system. Nevertheless substantial efforts were required of the federal government to buffer the effects of the global downturn. As in the case of past recessions, the effects of the financial contraction rapidly affected the Stephen Avenue Mall. The relative health of the area remained sound and the decline in its vitality, marked by business failures and a re-emergence of vacancies, continued to be balanced by new commercial enterprises. This would not be the case after the collapse of energy prices in the next decade.

### Key Document

*The Centre City Plan*, The City of Calgary, 2007

This visionary Plan for the future of the Centre City, identifies the Stephen Avenue Mall Heritage Area and states, "The City will ensure the preservation of heritage resources and the character they contribute to ... special areas in the city and will be a leader in preserving and enlivening heritage resources..."

The following tools are identified but not in detail:

- Land Use Policies and by-laws; tax relief or Incentives;

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- Tax Relief or Incentives;
- Advocacy, stewardship and promotion, and
- Partnerships and collaborative relationships.



Stephen Avenue, 2003. City of Calgary



Stephen Avenue, 2004. City of Calgary

### **The 2014 Collapse of Oil Prices**

The 2014 collapse in energy prices triggered by the return of the United States to the oil export market and near self-sufficiency due to the success of the fracking industry. In combination, the ongoing effects of the 2009 global recession and a significant lowering of energy demands worldwide, together with the inability of Alberta to get its heavy oil to international markets due to environmental profoundly affected and continues to affects the health of Alberta's economy. A second recessionary wave ensued, triggering business failures and for the first time in almost twenty years vacancies on prime corner properties reoccurred. In addition to the profound shifts in the energy market a shift in the commercial retail market to online shopping further contributed to readjustments in the retail market nation wide and in Calgary in particular. The effects of these changes continue to be exerted on the Calgary market and the character of the commercial enterprises on the Mall has undergone a marked downshift in the range of goods and services.

### **Sources**

Information for this Report was drawn from primary and secondary sources held by the City of Calgary in the Archives of the City Clerk, Planning and Development, and Corporate Resources. The Glenbow-Alberta Archives provided access to its extensive clipping files sourced from the Calgary Herald and The Albertan (present day Sun), that provided a barometer of citizens and the print media's attitudes towards the Mall over the study period. In the case of newspaper articles, individual attributions citing dates are not included. City of Calgary records, reports and studies are cited by year, decade and current location for clarification and to provide the opportunity for more detailed study.

### **Acknowledgement**

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and insights into the many complicated planning issues that arose between 1970 and 2000 - period characterized by alternating periods of high development pressure and sudden recession.