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**New Uses for Old Buildings: Organic Renewal in the West Exchange
District, 1975 - 2010**

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Abstract

Since 1975, the Exchange District west of Main Street has emerged as downtown Winnipeg's most successful and interesting neighbourhoods. Built up as a wholesale warehouse district in the late 19th and early 20th century, the West Exchange is now seeing these warehouse spaces reused as loft condos, artist studios, offices and trendy retail, bars and cafes. This paper will examine the slow revitalization process that has occurred in the West Exchange, arguing that the lack of a major urban renewal programs and the abundance of cheap, reusable space has facilitated this revitalization. By leaving the West Exchange's physical form intact, revitalization has been further assisted through the attraction of hipster and yupster consumers.

Introduction

The natural state of modern cities is one of a concentrated and complex web of interests, uses, and time horizons. And yet many urban renewal projects have attempted to predict actions and co-ordinate efforts at renewal. This has certainly been the case in Winnipeg, where an economically languishing downtown area became the subject of a number of massive efforts at renewal. The attitude that informed many of these approaches to urban renewal can be found in the pages of the ambitious 1969 *Downtown Winnipeg* plan: key blocks of the downtown district needed strong land use control and a major infusion of public dollars to go toward physically transformative building projects. The surrounding areas would then carry out the rest of the grand vision, with the planned areas acting “as a stimulus for the unplanned areas.”¹

In contrast, the renewal efforts that have occurred in the Exchange District west of Main Street have been small and gradual, with little focus on physical transformation. While the whole blocks along the north side of Portage Avenue were being rebuilt by the Air Canada Centre and Portage Place developments in the 1980s with funding from the Core Area Initiative (CAI), public money trickled into the West Exchange incrementally to small projects such as new sidewalk benches and street lamps, renovation assistance grants for building owners, and funding for area arts groups.² It was this general lack of big urban renewal plans and an appreciation of the existing building density and scale, along with a long and growing associa-

1 *Downtown Winnipeg* (Winnipeg: The Metropolitan Corporation of Greater Winnipeg, Planning Division, April 1969), 79.

2 *Winnipeg Core Area Initiative Status Report of Programs and Projects to March 31, 1989*, 10.

tion with the arts world and “cool,” that has led to the West Exchange’s current success as a growing centre for boutique retail, artist live/work space, the creative sector, and trendy bars and cafes.

This paper will specifically examine the Exchange District west of Main Street, which is considered in this paper to be between Main Street to the east, Notre Dame Avenue to the south, Adelaide Street to the west, and William Avenue to the north. By allowing growth to occur organically here, a concentrated creative-based economy has emerged—similar to the wholesale-based economy of a century before—and it is now downtown’s most successful and interesting mixed-use neighbourhood. Finally, this paper will make a few recommendations for further success.

Literature Review

In *The Death and Life of Great American Cities*, Jane Jacobs argued the need for a mix of aged buildings in a district. “Not necessarily grand museum pieces, but smaller, plainer ones.”³ A successful district needs old buildings not for their grand architectural qualities, but for their economic functionality: they support new enterprises, or niche enterprises that could not afford rents in a new building. “Time,” Jacobs wrote, “makes the high building costs of one generation the bargain of the following generation. [...] Time makes certain structures obsolete for some enterprises, and they become available to others.”⁴

3 Jane Jacobs, *The Death and Life of Great American Cities* (New York: Random House, 1961), 187.

4 *Ibid.*, 189-190.

This would prove to be the case in the West Exchange. While it enjoys some of Winnipeg's finest architecture, much of the entrepreneurial activity has occurred in the less historically important or architecturally impressive buildings, and though the history and architecture of the area certainly adds to its appeal, it is the economic opportunity these old buildings and their cheap floor spaces that makes revitalization possible.

Urban economist Edward M. Glaeser notes that cities emerged to take advantage of transportation (typically, along waterways, and in Winnipeg's case, railways). Businesses locate in cities in order to reduce transportation costs, but the radical change in transportation and communication technology that occurred in the 20th century greatly reduced the need for manufacturing and wholesaling uses to concentrate in a centralized district.⁵ The "silver lining" of this, Glaeser argues, is that the abandonment of industry and wholesaling from the central city has made these areas more livable, and able to attract higher levels of human capital.⁶

The service and information industries that concentrate in post-industrial and wholesale neighbourhoods do so because they rely on both the competition and information sharing that comes from physical concentration. Just as in industrialized cities of the pre-1945 period, the knowledge-based city of today depends on concentration and density, as it attracts innovative firms, as well as those who are not innovative but benefit from being close to the action. According to Glaeser, "The high density levels of traditional downtowns will

5 Edward M. Glaeser, *Demand For Density? The Functions of the City in the 21st Century*. (The Brookings Institute, Vol. 18, No. 3, Summer, 2000). 12.

6 Glaeser, *Demand For Density?*, 14-15.

continue to be valuable if centre cities maintain a productive edge in their ability to speed the flow of ideas and if they keep and develop any advantages they may have as centres for consumption.”⁷

Varying from Glaeser, the celebrated urban theorist Richard Florida looks at less tangible, non-market factors in creating successful cities. In *Cities and the Creative Class*, Florida argues that cities depend on technology, talent, and toleration in order to successfully attract people and capital.⁸ There are non-market factors that create “a broad environment that is attractive to talent.” Socially tolerant and diverse places “mobilize and attract the creative energy that bubbles up naturally from all walks of life.” These places develop an economic advantage over areas that do not succeed at attracting social toleration and diversity.⁹ Florida suggests that if cities are to attract and retain their creative classes to neighbourhoods, they must let ideas emerge and take hold, and not undervalue quality of place, centrality and interaction.¹⁰ Generally, whether intended or not, this relatively hands-off, fine-grained approach to renewing districts has contributed to the area gradually becoming a centre for Winnipeg’s creative class.

The *Downtown Winnipeg Retail Market Analysis and General Positioning Strategy*, released by New York-based retail marketing firm, MJB Consulting, looks at commercial services in four downtown subdistricts: Graham Avenue, Portage Avenue, Waterfront Drive, and the Exchange District. Of these four subdistricts, the report found the Exchange District was best positioned to attract a high caliber of retail and services, due to its affordability and popularity

7 *Ibid.*, 14-15.

8 Richard Florida, *Cities and the Creative Class*, (New York: Routledge, 2005), 6-7.

9 *Ibid.*, 68-69.

10 Florida, *Creative Class*, 165-169.

among the hipster and yupster demographics, which both qualify as being among Richard Florida's creative class.

Hipsters, according to the report, include artists, university students and employees of the creative economy or associated service industry. They generally possess lifestyle sensibilities that include an embrace of authenticity, creativity, and "a need for low price points" (either by necessity or by preference).¹¹ Owing to the Exchange District's uniquely urban streetscapes, its sense of being edgy and undiscovered (while still being relatively safe), and the cheap availability of interior spaces for uses, various incarnations of hipster types have been attracted to the Exchange District since the 1960s, but in much higher numbers since 2000.

The yupster, meanwhile, represents "a hybrid of yuppie and hipster," and is "defined as a mainstream young professional... who has integrated creative and alternative sensibilities into her lifestyle and consumer preferences."¹² Like hipsters, yupsters have been somewhat attracted to the Exchange District for decades, but have been more strongly in the past decade, owing to the rise in creative firms, loft condo conversions, and the cluster of boutique retail developing along Albert Street. The low costs of the Exchange District helps add to the area's attractiveness to both hipster and yupster consumers, residents and workers.

The Rise and Decline of the Warehouse District, 1862 – 1945

The stretch of Main Street between Portage Avenue and City Hall was the original concentration of private enterprise in what became the city of Winnipeg, beginning in 1862. In the early years of the city, the streets to the west of this part of Main were developed as wood

11 *Downtown Winnipeg retail market analysis and general positioning strategy*. MJB Consulting, (May 2009), 35-36.

12 *Downtown Winnipeg retail market analysis*, 42.

frame residential houses, with a light mix of small warehouses and other commercial buildings. With the development of railways connecting Winnipeg to global markets in the early 1880s, a cluster of grain trading firms had developed on Princess Street along Market Square and near City Hall. In addition to being a centre for the Western Canadian grain trade, this district became a wholesaling centre for Western Canada, with more than 80 wholesale firms in operation in 1890. Because of the nature of their business of dealing with large quantities of goods, these firms required both large spaces to operate in, and centrality--proximity to the city's retail trade (focused on Portage Avenue by 1910), and the railways.¹³

The neighbourhood to the west and east of Main Street between City Hall and Notre Dame Avenue offered this space and centrality needed by wholesaling operations, particularly in the first decade of the 20th century, when spur railway tracks were constructed that connected the growing wholesale district to the main railway lines. The concentration of the wholesale district was not dependent of direct railway service these spur tracks provided, and what became the heart of the district by 1910, around Albert, Arthur and King Street, did not have spur railway service.¹⁴ It was the proximity to other wholesalers that encouraged this concentration, and so by 1914, the district west of Main had fully developed into a wholesaling district, with a scattering of hotels and other accessory uses.

As lowered investment capital and immigration, a socialization of the wheat economy, and new commercial transportation patterns changed Winnipeg's fortunes, the city's "dominant

13 Alan F.J. Artibise, *Winnipeg: A Social History of Urban Growth, 1874-1914* (Montreal: McGill-Queen's University Press, 1975), 152-153.

14 *Winnipeg's Historic Warehouse Area: Its Revitalization Through Conservation*. (Heritage Canada and the Manitoba Historic Society, Winnipeg: May 1976), 2.

position as a wholesale centre was lost and many Winnipeg firms closed their doors in the early 1920s.”¹⁵ After World War II, the lofts in the great warehouse buildings of the district were used by a concentration of small garment manufacturers and agents.¹⁶

A New Appreciation for an Old District, 1975 – 2000

Beginning in the mid-1970s, there emerged a new appreciation for the character of the old and largely forgotten wholesale district, which, with its relatively intact streetscapes and characteristic architecture, was billed as what could one day become “another Gastown or Yorkville.”¹⁷ The opening of Townsite in the late 1970s as a “vertical shopping mall” in the six-storey Traveller’s Building at the corner of King Street and Bannatyne Avenue, came to symbolize the area’s rebirth as a thriving historic district.¹⁸ The city’s two newspapers applauded this development and anticipated further development of the surrounding neighbourhood as a trendy retail and dining destinations--although the commercial services in the area were largely represented by furniture retailers at the time, one stakeholder predicted there would soon be “more restaurants, retailers and office space cropping up.”¹⁹

With the beginning of the CAI, which saw close to \$200 million from the Federal, Provincial and Civic governments go toward renewal of Winnipeg’s core area between 1981 and 1992, it was hoped that development in the wholesale district would increase. But while the CAI assisted major development projects at The Forks, the north side of Portage Avenue, and

15 Blanchard, Jim, *Winnipeg’s Great War: A City Comes of Age* (Winnipeg: University of Manitoba Press, 2010), 259.

16 *1960 Winnipeg Manitoba city directory* (Winnipeg: Henderson Directories, 1960).

17 *Winnipeg Free Press*, “Winnipeg’s old business district rated good location for retailers.” December 1, 1976, 18

18 *Winnipeg Free Press*, “Townsite: the bold experiment that failed.” August 8, 1984, 29.

19 *Winnipeg Free Press*, “Winnipeg’s old business district,” December 1, 1976, 18

in Chinatown, the Exchange District—as the wholesale district was rebranded a in 1985—saw only small-scale infusion of cash for small projects.²⁰ In spite of the assistance from the CAI in the 1980s, the Winnipeg Development Agreement in the 1990s, and a growing public appreciation for the area’s character, the pace of revitalization in the West Exchange was gradual. Townsite, which many had hope would act as a catalyst for retail development when it opened, closed its doors in 1981.²¹ In spite of setbacks and slow pace of development, a number of commercial “anchors” had emerged in the West Exchange by the late-1990s, which would help define the area’s artistic, trendy and young identity. These establishments included the King’s Head pub, Ragpicker’s vintage clothing store, the Mondragon Café and Bookstore, Toad Hall Toys, the Underground Café, and the Cinemateque, as well as a number of galleries and arts supply stores.²²

The presence of artists in the West Exchange dated back to the early 1960s, when the Royal Albert Arms hotel was frequented by hotel guests and visitors by “actors working the Manitoba Theatre Centre, starving artists wearing their integrity on their ragged sleeves, visiting jazzmen and folkies playing local clubs.”²³ Artists took advantage of the district’s vast, cheap loft spaces, and by 1998 it was estimated at 100-300 artists had studios in the Exchange District, with a number of them also living in these spaces.²⁴

20 Winnipeg Core Area Initiative Status Report of Programs and Projects to March 31,1989, 21.

21 *Winnipeg Free Press*, August 29, 1984, 29.

22 Downtown Winnipeg retail market analysis and general positioning strategy. MJB Consulting, May 2009, 34-35.

23 *Winnipeg Free Press*, “Hotel’s rakish youth set its style.” September 2, 1981, 17.

24 Trudy Schroeder. *Artist Live/Work Spaces: A Study of the Potential for Development of Artist Live/Work Spaces in Winnipeg’s Historic Exchange District*. (Winnipeg: Arts and Heritage Solutions, September 1998), 5.

The Contemporary Era

At the turn of the last decade, the Exchange District began to experience a noticeable growth in popularity among the creative classes through a growing concentration of residential, office and commercial spaces. Speaking to the *Winnipeg Free Press* in 2002, Peter Anadranistakis, head of a sales consulting firm that moved to Albert Street, seemed to sum up Jacob's theories on the need for old buildings' affordability, and Glaeser and Florida's ideas on concentration and coolness, noting that the West Exchange was:

“a trendy, hip and cool place and we think we're a hip and cool business and this is where we should be.' He said he was lured to the area by the lower leasing rates, adding he was able to create a work place rich in century-old wood floors and brick walls.”²⁵

In 2003, Rebecca McCormack, opened Cake Clothing in a small storefront at the corner of Albert Street and McDermot Avenue. Sales at Cake “exceeded expectations,”²⁶ and over the course of the next few years, Cake Clothing moved to a larger space at 264 McDermot, and seven new retailers joined it in a cluster centred on the Albert/McDermot intersection, including Hilary Druxman's trendy jewellery store at McDermot and Arthur.²⁷

Also in 2003, the upper floors of the Traveller's Building, home to the ill-fated Townsite development a generation before, was developed and sold as raw space condos. Other condo projects were undertaken in several buildings along Princess Avenue (*Winnipeg Sun*, Apr. 3, 2003, p.4).

25 *Winnipeg Free Press*, “West Exchange area buzzing,” July 12, 2002, 25.

26 *Winnipeg Free Press*, “Exchange comes alive,” *Winnipeg Free Press*, August 25, 2003, B1.

27 *Winnipeg Free Press*, “Downtown's new retail avenue,” *Winnipeg Free Press*, October 21, 2007, A19.

The increased desirability increased the feasibility of making physical improvements to the district's old warehouse buildings and converting them to other uses. Some buildings began to see façade restoration and cleaning, in order to attract prospective tenants. And yet by 2008, gross rents in the Exchange District were still relatively low, usually between \$12 and \$14 per square foot.²⁸ These low rental costs have made the district within reach of small and upstart firms. In a late 2010 conversation with the smart phone application developer Gareth du Plooy, he noted that a 400 square foot space in the Whitla Building on Arthur St. is available for less than \$500 a month. Although this space has no central air, and the bathrooms are down the hallway, it does offer hardwood floors, high ceilings, and a large window that looks out onto the downtown skyline. Elsewhere in the building, larger spaces and better on-site amenities are found for higher rental rates. This cost shared with one or two others makes it even more affordable.

Recommendations

Given Winnipeg's slow pace of growth, it is not realistic (nor is it desirable) for one use to be picked as the dominant one over others. The West Exchange cannot survive simply as a boutique retail district, a design and technology cluster, a loft condominium neighbourhood. Like Jacob's great city districts, the West Exchange can only be great by being as concentrated and mixed-use as possible, and government policy should reflect the belief that concentration and mixed-uses are not only the goal, but the means of achieving further development. With this in mind, this paper makes the following recommendations:

28 *Winnipeg Free Press*, "Historic buildings get a bath." September 8, 2008, B1.

1) *Stay away from a reliance on big, simple solutions.* While it is unlikely that the West Exchange will see transformative, urban renewal-style developments, the same mistake can be made with more sensitive, fine-grained projects: that one major use can uplift an entire neighborhood. The expansion of the Red River College campus at the north end of the neighbourhood will certainly play a significant role in the neighborhood's revitalization, but will be only one role among many, and cannot be relied on as a solution. The success of Red River College is dependent upon a complex and evolving variety of interdependent uses in the surrounding blocks.

2) *Build market confidence and encourage small developers through preemptive planning.* The Downtown Zoning By-law was a good start at providing more flexible zoning in the Exchange District. City planners can go further by pre-approving a building's reuse before a developer comes along with a proposal. This would clarify the cost risks associated with development in a building, and make redevelopment a less daunting task for small developers who may not have the resources (time, money, political connections) to successfully navigate the approval processes associated with developing old buildings.

3) *Shift heritage efforts to a focus on preserving the neighborhood's physical density, not its pressed tin ceilings.* With its rich collection of historical architecture, the Exchange District has been the focus of the local heritage preservation movement over the past 30 years. While this preservation movement has been important, heritage regulations have had the unintended consequences of scaring away developers seeking to renovate and reuse an old building. Fundamentally, it is the scale and physical density of the Exchange District that has made it attractive, not the ar-

chitectural grandiosity. The heritage movement should recognize this, and shift its focus from preserving every historical detail of a building, and instead focus of conserving the neighbourhood's form and functionality.

Conclusion

Renewal efforts in the West Exchange have generally respected the physical scale and context of the neighborhood, and the concentration of old buildings and narrow streets were seen not only as an asset, and a necessary condition of the district's future vitality. While taking an incremental, market-led approach to renewal in the West Exchange was slow and at times disappointing, it did allow for true, organic renewal to take hold. Today, the West Exchange still has yet to reach a "critical mass," particularly in the evenings.²⁹ According to one planner at the City of Winnipeg who was spoken to on March 1, 2011, residential developers claim there is still a "market gap" in the Exchange District between building affordable units (either in new construction or renovating old ones) and making a modest profit. However, it remains an advantage to have a mix of uses and rents in the West Exchange, because they draw the more edgy hipsters and their upscale cousins, yupsters. Although nearly all buildings in the West Exchange are old, some have had extensive modern upgrades (and are thus "newer"), while others have not, and so market rents are still quite mixed. This affordability has allowed small ventures to be made, artist studios and galleries, cafes, shops, and offices for creative firms. All of this adds to the vibrancy and attraction of the area, which in turn can attract higher levels of private investment and renewal in the future.

²⁹ *Downtown Winnipeg retail market analysis*, 32.

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