

Saint John NB: From Decay to Prosperity through People, Planning, and Process.¹



A case from the library of “Smart Growth” leadership case studies prepared by the New England Environmental Finance Center, at <http://efc.muskie.usm.maine.edu/pubs.htm>

Abstract. Saint John, New Brunswick, a booming commercial and shipping center in the 19th century, became known in the 20th century as a gloomy industrial city with low quality of life, where work was hard. In the late 1990s key actors from different sectors began a series of planning and development initiatives that spurred growth and poverty reduction into the 21st century. Local and regional leaders began meeting and planning together to attract and retain people by developing local assets and focusing on four key economic sectors. Through extensive community outreach and consensus-building, cultivating a spirit of collaboration that endures through political cycles, and branding Saint John as a wonderful place to live, work, and raise a family, Saint John has begun to overcome its gritty reputation and reach new levels of more sustainable development.

¹ Prepared by David Holman for the New England Center for Environmental Finance’s “Smart Growth Leadership Case Study Library,” Richard Barringer, ed., Muskie School of Public Service, Portland, ME. June 2010. *Saint John Waterfront and Downtown District* photo courtesy Enterprise Saint John. Copyright © 2010 by the Muskie School of Public Service.

Saint John. Saint John is the oldest incorporated city in Canada. The Passamaquoddy and Maliseet Nations lived near the present-day site before the first European visit in 1604 by explorer Samuel de Champlain. The surrounding Bay of Fundy has the highest tides in the world, creating famous tourist attractions like the Reversing Falls. In colonial times Saint John became a bustling mercantile settlement where social life and economic activity revolved around a booming port that supplied much of Canada. A large influx of fleeing loyalists settled in Saint John after the American Revolution, including Benedict Arnold, and Saint John adopted as its motto, “The Loyalist City.” A catastrophic fire in 1877 destroyed much of the downtown, but a strong maritime economy helped rebuild it quickly². In the 20th century the city emerged as a hub of heavy industry that, especially after WWII, attracted blue-collar workers. At the same time, its gritty industrial reputation increased as municipal and industrial waste contaminated the waterways and harbor, and the smell of paper mills permeated all.³



Industrial Saint John. Photo by David Holman.

A steady decline in blue-collar jobs through the 1990s culminated when the Canadian Navy completed its frigate construction program in 2002 and the J. D. Irving Ltd. (JDI) shipbuilding operation in Saint John ceased, with the loss of some 5,000 jobs. As shipbuilding declined, the energy sector was on the rise. What began as a small gas station in Bouchtouche NB in 1882 led to the founding of Irving Oil Ltd. in 1924. Now headquartered in Saint John, Irving Oil (or, simply, “Irving,” as it is known) has 7,000 employees and is owned by a parent company recently renamed Fort Reliance.⁴

The 1970s saw investment in needed commercial infrastructure, such as the

² Interview with Saint John historian Harold Wright. March 22, 2010.

³ Interview with Tim Vickers, ACAP. March 21, 2010.

⁴ It is important not to confuse Irving Oil Ltd. with J.D. Irving Limited (JDI), another Irving family-owned business that is now a transportation, forestry, shipbuilding, retail, industrial, and consumer conglomerate with 15,000 employees, also headquartered in Saint John. Both companies have played a dominant role in Saint John’s and New Brunswick’s history, politics, and economic development over the past century.

massive Brunswick Square mall and office complex, and energy projects like the Western Hemisphere's first deepwater terminal to accommodate ultra-large oil tankers. In 2001 Irving entered into a partnership with the Spanish energy company, Repsol, to build a massive liquified natural gas (LNG) terminal that was officially commissioned in September 2009. The facility now supplies 20 percent of the natural gas used on the East Coast of the US and Atlantic Canada⁵.

Despite this industrial growth, small businesses grew but slowly through the 1990's,⁶ and Saint John had among the highest poverty rates in Canada, 27% in 1997.⁷ Schools were underperforming, the business community showed little interest in civic engagement, and Saint John's once internationally-famous Imperial Theatre had fallen into disrepair. In 1973 the City's planning department crafted a comprehensive plan projecting growth that never materialized; by the late 1990s, many community and business leaders recognized that it would be up to them to chart a new course for Saint John.

Charting a New Course. In 1997, retired bank executive Bill Gale founded the Business Community Anti-Poverty Initiative (BCAPI) to engage local business leaders in addressing Saint John's chronic, inter-generational poverty. BCAPI commissioned a major community poverty study by the accounting firm Deloitte & Touche, which described who lived in poverty in Saint John – the majority, single-parent families – and recommended action strategies to break the cycle of poverty. One strategy was led by BCAPI member, J.K. Irving, who founded Partners Assisting Local Schools (PALS), a mentoring program at a school in a low income neighborhood near the JDI headquarters. PALS has steadily expanded to other neighborhood schools in Saint John. Today, sixty-five business and civic organizations have joined the effort and more than 600 volunteers mentor students in ten schools. Gale inspired more than 100 business leaders to participate in BCAPI initiatives, in part because of his stature as a fellow-business leader who has demanded quantitative results from social programs.

In 1998 Steve MacMackin, director of a Saint John funeral home and self-described "serial volunteer," convened a weekly meeting of Saint John business leaders

⁵ Andrew Carson, Fort Reliance, Interview, March 23, 2010.

⁶ "Establishing the Foundation for the Saint John Community" Carson, Steve. Enterprise Saint John presentation. 2009

⁷ Monica Chaperlin, BCAPI, Interview, March 29, 2010.

to help plan a better future for the city. The core group consisted of Steve Carson, director of the regional development organization, Enterprise Saint John (ESJ); Dr. Shelley Rinehart, then-Dean of the University of New Brunswick Business School; and Dale Knox a local entrepreneur. MacMackin, Rinehart, and Knox formed ESJ's Growth Strategy Management Committee, and embarked on a five-year process involving three dozen community groups in stakeholder meetings, research, and community growth planning. ESJ hosted events like "Imagine the Possibilities" in 1998, for community members and leaders to share ideas and visions for Saint John's future. This successful event was repeated in 2009.



The second "Imagine the Possibilities" event in 2009.

ESJ's effort at "active listening" and engaged research culminated in 2003 with the publication of "Saint John Course of Action: Community Growth Strategy," detailing Saint John's newfound consensus to "attract and retain people, ideas, and investment" as the foundation for growth.⁸ MacMackin, Carson, and others were able to communicate their findings effectively within the business community because of their stature as trusted community members without political ambitions or vested interests in particular outcomes.

Business-Government Relations. The Saint John business community has often had an adversarial relationship with the City government; productive cooperation and dialogue have not been the historic norm. In the 1980s and 90s the New Brunswick provincial government, under fiscal pressure, pushed Saint John and the surrounding, smaller towns

⁸ "Saint John Course of Action: Community Growth Strategy," Enterprise Saint John, 2003.

to consolidate administratively. This created a sense of urgency for collaboration in the city and towns to avoid total amalgamation. In 2003 the mayors of the surrounding towns of Quispamsis, Grand Bay-Westfield, Rothesay, and St. Martins joined the mayor of Saint John on the board of ESJ. The five mayors had never before held regular meetings around a shared agenda. As local government leaders coalesced behind an agenda of regional economic development, the 2003 “Saint John Course of Action” plan received unprecedented levels of civic, political, and financial support.

Prior to heading ESJ, Steve Carson worked as a senior executive at Irving Oil. In 2003 Irving introduced Carson to an innovative branding consultant, Stuart Baker of The Brand Merchants Ltd. of Toronto. Carson and ESJ were skeptical of Baker’s unconventional approach to branding; but after consultation, authorized him to assess the core values of the Saint John community, for branding and marketing purposes. After his research, Baker recommended that Saint John possessed three key assets on which to structure growth and build an effective “brand” for the community:

- As a city rich in history, Saint John has a sense of itself that comes from being one of the oldest cities in the Americas;
- As natural merchants, the people of Saint John have thrived on a spirit of entrepreneurship, creativity, and market innovation; and
- As an international seaport, Saint John was built by immigrants and has welcomed people from around the world, resulting in a cooperative and caring social network that offers the foundation for a better way of life.

Saint John adopted Baker’s branding proposals, so the community in all its key messages, images, and logos might present a clear and compelling voice, to attract and retain innovative and educated people.



At the same time ESJ hired Matt Fischer, an internationally-known expert in economic development strategies. Fischer found that Saint John’s economy was already diversifying away from heavy industry, but in a haphazard way. His and

Baker’s work, along with that of the five mayors and ESJ, led to the 2003 “Saint John Action Plan,” prioritizing four economic sectors for strategic investment: tourism, information and communications technology, healthcare, and energy and advanced manufacturing.

Community leaders decided to leave behind the City's traditional "Loyalist City" motto and replace it with the slogans, "*Explore our past. Discover your future.*" and "*Life on your terms.*" In keeping with the findings of the consultants, the four outlying mayors agreed to include their own towns as subtext beneath the Saint John logo, realizing that since the world outside already viewed them as part of "Saint John," creating a new name like "Greater Saint John" would dilute the message.⁹

Community Engagements Build Momentum. The University of New Brunswick-Saint John (UNB-SJ) was founded in 1964 and grew rapidly to 2,500 full and part-time students in 2010. The New Brunswick Community College campus in Saint John also has 2,750 full- and part-time students, making the city a regional center of higher education. In the late 1990s the MBA program at UNB-SJ pursued an aggressive, international recruiting program that brought an influx of students from Asia and the Middle East, many of whom have stayed in Saint John to start new businesses. UNB-SJ now has 20 percent international students and recently partnered with Dalhousie University and the Saint John Hospital to open a new medical school on the campus of the hospital. The first student cohort will begin studies in September 2010.

Senior officials of UNB-SJ, like Vice President Dr. Robert MacKinnon, sit on the boards of numerous non-profit organizations and have partnered with a variety of community groups like the prominent environmental organization, Atlantic Coastal Action Program (ACAP) and the Museum of New Brunswick, and with a low income neighborhood near the campus to provide school volunteers and mentoring.¹⁰ These outreach efforts led to the creation of the Community University Research Alliance and UNB-SJ's recent approval of an Urban Studies program to further regional planning and development.

In 2004, during a time of accelerating community engagement in Saint John affairs, young professionals founded FUSION Saint John to serve as a catalyst their civic engagement and social networking. FUSION Saint John helps attract and retain young, educated people by instilling a sense of belonging and familiarity, and providing an effective voice for their demographic within the community. Membership is free and

⁹ They also wanted to avoid the experience of Halifax, where the strange-sounding acronym, HRM, was adopted to refer to Halifax and its surrounding municipalities, thus diluting the brand and confusing many outsiders.

¹⁰ Interview with UNB-SJ Vice President Dr. Robert MacKinnon. 3/22/10.

open to anyone, and affords members opportunity to participate in events and serve on committees such as Arts & Culture, Community Engagement, Urban Planning and Economic Development, Government Relations, and Immigration Ambassadors. Board members from FUSION Saint John, like Shawn Peterson, regularly interact with local business, government, and cultural leaders. The success of FUSION has sparked creation of similar groups in Halifax NS and Bangor ME.

Historically fragmented, the Saint John arts community gained new momentum when it united to restore the Imperial Theatre, completed in 1994. New galleries have since opened, like that of Peter Buckland in 1998, and Saint John now has the highest concentration of commercial galleries in Atlantic Canada. In 2003, the City Council established the Community Arts Board whose 13 members represent the business, education, and cultural sectors. In 2005 the Council approved the Arts Board's plan for a small grant program and a new policy whereby 1 percent of all public construction project funding will support installation of public art projects.

Saint John has over 6,000 historic buildings in the downtown area that languished for much of the 20th century, until a combination of historic preservation interests and a growing economy set off a period of restoration and refurbishment. Saint John's historic landmarks such as the City Market, Loyalist House, the Carnegie Library, CenterBeam, and more have recently been restored and re-purposed to modern life.

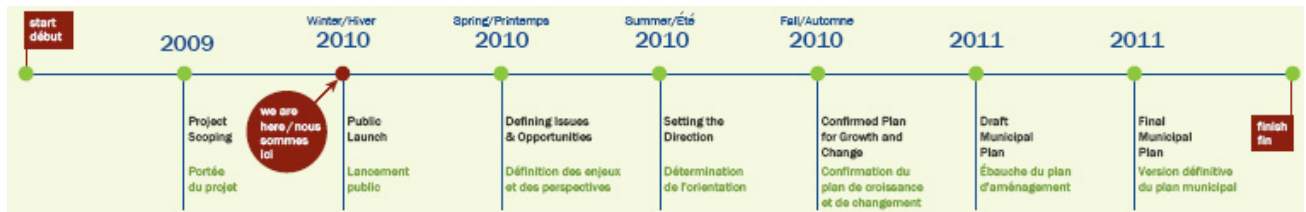
Cruise ships that traveled the Atlantic coast had never visited gritty Saint John until the Cunard Princess and her 500 passengers reluctantly sought shelter from Hurricane Gabrielle in 1989. Saint John citizens pitched in to make the stranded passengers welcome and secure, and a surprising and happy relationship formed. A slow trickle of returning cruise ships have become a flood, thanks to the work of tour groups like Aquila; and in 2010, 77 ships with 211,000 passengers will visit Saint John's historic downtown and nearby attractions.¹¹ New hotels and bed & breakfasts, such as the historic Tanner's Home Inn owned by former Irving employees and Saint John natives, Mercer and Terry Munn, have sprung up to accommodate Saint John's rapidly growing tourism industry.

¹¹ <http://www.cruisesaintjohn.com/forcruiselines/cruisehistory.asp>



Saint John's City Market was built in 1876 drawing on the city's ship-building tradition, the roof is an inverted ship hull.

Embracing Planning, Facing the Future. Current Saint John Mayor Ivan Court is a product of Saint John's blue-collar community and was a high school teacher for more than thirty years. Mayor Court sees Saint John's future moving away from heavy manufacturing toward the four sectors that ESJ identified as key to the city's future¹². Mayor Court oversaw the hiring of Saint John's first new city planner in almost 30 years, Ken Forrest. Forrest has launched an interactive community planning process to replace Saint John's long-outdated 1973 City Plan. Forrest comes from Canada's West Coast



Saint John City Plan timeline from scoping in 2009 to final draft in 2011.

and believes that Saint John's walkable downtown and historic district are among its strongest assets. Saint John residents can contribute to the new City Plan in a number of

¹² Interview with Mayor Ivan Court. March 22, 2010.

ways, including at a “Plan SJ” storefront operated in the crowded Brunswick Square mall connected to City Hall.

The City has enjoyed recent success in obtaining funding for major projects from provincial and federal sources; but some of the projects have created friction within the community and with the visions of Enterprise Saint John and others. The City, for example, plans a massive “justice complex” in the heart of the historic district that requires the demolition of several historic, colonial houses that predate the 1877 fire.

Saint John’s industry has undergone a remarkable clean-up of its operations in the past twenty years, most notably eliminating the pulp mills’ noxious odors. Despite improvements in environmental regulation and compliance, several malls and developments remain prone to flooding, and fish from the nearby rivers and ocean are severely contaminated by fecal coliform bacteria¹³. Tim Vickers, Director of the environmental group ACAP, has drafted a plan to clean up the urban Marsh Creek, helped organize a major harbor clean up, and believes that water quality issues will improve dramatically with completion of a major waste-water treatment facility in 2013.

A challenge facing Saint John remains out-migration of people from the core city and suburbanization of the landscape, driven in part by the City’s relatively high property taxes. Local leaders don’t know whether Saint John will finally be able to stem the population loss, but point to the telltale signs of retail and arts revitalizations that may attract residents back to the city. Saint John’s median per capita income of \$16,500 in 1996 grew 51 percent to \$25,000 in 2006, compared to Canada’s growth of 42 percent in the same period¹⁴. Saint John’s population in the 2006 recent census was 68,043, down 2.3 percent from 2001 but up from 1996 when it was 64,724.¹⁵ The 2.3 percent loss from the city corresponded to an equal rise in the population of Saint John’s suburbs.

Residents of Saint John rallied around the announcement of a string of large energy projects, and in 2005 community leaders began promoting the idea of Saint John as an “energy hub.” Irving completed its LNG terminal with Repsol in 2007; but all other big projects were put on hold due to the Great Recession of 2008 and remain in limbo in 2010. Tim Curry of the non-profit Atlantica Center for Energy points out that despite the

¹³ Interview with Tim Vickers, ACAP. March 21, 2010. Fecal coliform levels in Saint John harbor are five times the safe limit, and those in Marsh Creek are many thousands of times above safe limits.

¹⁴ Statistics Canada. <http://www.statcan.ca/> and Enterprise Saint John.

¹⁵ Statistics Canada. <http://www.statcan.ca/>

delay in planned energy projects,¹⁶ Saint John did not lose jobs and unemployment stands at 6.6% compared to 9.5% in the province.¹⁷ Despite these setbacks, the mayor of Saint John and the Saint John Board of Trade expect more big energy projects to arrive in the future.

In 2010 Saint John won the designation of Cultural Capital of Canada and, with it, over half a million dollars in funding to promote the arts and culture. The Saint John poverty rate in the 2006 census had dropped sharply to 20.1 percent, and City officials and BCAPI believe that poverty continues to decrease as school mentoring, single mother support programs, and Saint John's higher education institutions expand.¹⁸



Historic Prince William street shopping district in downtown Saint John, 2009.

¹⁶ Interview with Tim Curry. Atlantica Center for Energy. March 23, 2010.

¹⁷ Enterprise Saint John. http://www.enterprisesj.com/labour_market_information

¹⁸ *Special thanks to Christine Comeau of Enterprise Saint John and all the many Saint John people who gave their time and input into the research for this case study.*

Appendix: Saint John NB Timeline

- Pre-1604:** Passamaquoddy and Maliseet Nations inhabit today's Saint John area.
1604: Samuel de Champlain explores the Saint John river mouth.
1785: Thousands of loyalists flee to Saint John and resettle.
1845-1849: Irish Potato Famine sees large Irish influx of immigration.
1800s: Saint John is a wealthy city, a world leader in shipping and ship building.
1850: Circa. Rockwood Park created, now one of North America's largest urban parks.
1867: Moosehead Brewery founded by the Oland family; still an Oland family business.
1876: City Market built with ship hull roof design; still vibrant today.
1877: Great Fire burns downtown Saint John. Re-builders come from all North America.
1882: J.D.Irving Limited begins in Bouchtouche, NB.
1904: Carnegie Public Library built, now the Saint John Arts Center.
1912: Imperial Theatre built; hosts Harry Houdini and other famous acts.
1924: KC Irving, at age 25, founds Irving Oil Ltd. In Bouchtouche, NB.
1964: University of New Brunswick Saint John (UNB-SJ) created.
1970s: Saint John population peaks.
1973: Saint John makes its city plan which is still in use as of 2010.
1978: Saint John's first big shopping mall opens.
1982: 2 block area in Uptown Saint John designated for Historic Preservation.
1985: Saint John hosts the Canada Games, huge event in city history and infrastructure.
1980s: Irving philanthropy becomes more public and promoted among employees.
1989: Cunard Princess cruise ship flees to Saint John harbor, begins local cruise industry.
1991: Canadian government Green Plan creates Saint John environmental group ACAP.
1994: Passenger rail service between Saint John and Maine discontinued.
Imperial Theater re-opened after 13-year, \$1.1 million fund raising effort.
1996-1997: Saint John region amalgamates from 11 municipalities to 5.
1997: Bill Gale retires from bank vice-presidency and starts BCAPL.
Saint John poverty rate is 27%, among highest in Canada.
1993: Business organizations leave City Hall, to share an open building on Main Street.

- 1998:** Steve MacMackin and community leaders begin weekly planning meetings.
Big community meeting to "Imagine the Possibilities" sets planning in motion.
Arts organizations hold debates around amalgamation and decide to unite.
2000: Consultants Stuart Baker, Matt Fisher and Thomas Pigeon engaged for planning, and branding.
UNB-SJ begins heavily recruiting international students.
BCAPL's Deloitte & Touche study gives a clear picture of Saint John poverty.
Irving Oil Ltd/Repsol begin massive a LNG project at Canaport.
Urban Saint John population is 69,661, lower than in the 1970s.
Saint John artists convene an "Arts Summit" to unite and re-open the arts center.
2002: Increasing diversity, many are graduates of the UNB-SJ MBA program.
Shipbuilding industry owned by JDI is closed, 5000 skilled jobs lost.
2003: Saint John designs new logo and brand with Stuart Baker.
5 mayors begin meetings together at Enterprise Saint John.
Community Arts Board created.
Enterprise Saint John issues True Growth Report.
2004: FUSION Saint John networking group launched.
2005: Saint John launches its new logo. 1240 students attend ceremony.
Saint John Sea Dogs hockey team begins play.
City adopts arts and culture grants and 1% for the arts policy.
2006: Canadian Census shows Saint John poverty drops to 20.1%
Irving announces its plan to build a new refinery "Eider Rock" in Saint John.
2007: Shipbuilding jobs replaced by ICT, energy and advanced manufacturing,
tourism, health sciences, and retail.
Saint John applies to be a cultural capital of Canada for first time and wins.
2008: Cancelled: Eider Rock, expansion of Point Lepreau nuclear plant, Irving World HQ.
Ivan Court elected Mayor.
Ken Forrest replaces long serving predecessor as City Planner for Saint John.
2009: Over 200,000 cruise ship passengers and crew visit Saint John.
Saint John Mall floods 3 times, with a quarter million in damages.
Saint John hosts 30 Chinese business delegations. Confucius Cultural Exchange
Ltd. opens.
A second "Imagine the Possibilities" event is held.
2010: UNB-SJ has 20% international students on campus.
Saint John named 2010 Cultural Capital of Canada.
Saint John Medical School opening on UNB- Saint John campus run by Dalhousie.
Plan Saint John launches planning process for the new comprehensive city plan.
UNB- Saint John building new campus centre building LEED certified.
2011: UNB- Saint John to launch "Urban and Community Studies Institute".
2013: New wastewater treatment expected to meet the needs of the city.

Teaching Notes:

Points illustrated in the Saint John case include:

1. Building consensus to grow the pie rather than fighting over pieces.
2. Involving regional government leaders to collaborate on a shared agenda.
3. The role of expert consultants in analyzing problems, and (more importantly) the role of community stakeholders in decision-making. “The government gives permits, the community gives permission.” (J.K. Irving, Saint John, Sept. 2009)
4. The importance of place and heritage to future planning and growth.
5. Local initiative and leadership matter, central government does not always move quickly or in the right direction.
6. The importance attracting immigrant populations and retaining talent through arts, culture, and quality of life amenities.
7. The importance of higher education in training the future work force and engaging citizens in the study and examination of their city and region.
8. Innovation and creativity may take advantage of “windows of opportunity” (like the cruise ship arrival in 1989) and change old paradigms (like when ship building ended in 2002).
9. The key roles of stakeholder involvement and recruiting new and trusted leaders to ignite and re-ignite the process.
10. The role of “social capital” – that is, norms of reciprocity and trust among empowered actors – in creating and sustaining growth.
11. Reaching out to the business community in a way they can understand, and engaging *them* in effective outreach to the community.
12. The importance of planning processes and products that will endure through governmental administrations.
13. What may we learn about sustainable, asset-based development from the Saint John experience?
 - Community recognition that *economic times have changed*, with serious consequences for all; there will be *no* going back!
 - *People and ideas drive business investment*. Building a community that can attract and retain people and ideas is the key to prosperity.
 - Learn to see *marketable strengths as economic capital*, and leverage these for growth. Find what is *unique* and *rings true for its citizens*, to determine a unique brand proposition.
 - *Brand the city and region* on the basis of shared values. Recruit and retain people who share these values, and corporations that will help build the community’s future around them.
 - Identify *key growth sectors* for strategic public, private, and philanthropic investment.
 - *Work together across borders*, as one community, in the expectation that all will benefit.
 - Build regional partnerships and strategies that will drive public and private investments and, most importantly, *survive changes in local, provincial/state, and federal administrations*.
 - The need on a continuing basis for effective conflict resolution processes and follow-through.