

A Case Study
Federal Investment Attracts Private Investment in Industrial Historic Sites

Abstract:

This case study examines why people are returning to the Blackstone Valley, America's industrial birthplace. Beginning in 1790, with cotton manufacturing, the Valley became the place to achieve the "American Dream." By the 1940s, industry was leaving. The Valley went into an economic freefall, people moved on, and mill villages decayed. In 1986, the National Park Service, with special legislation, and the Valley's historic resources, began to tell the story about this special landscape. Using education, the Blackstone River is cleaner, historic properties are being thoughtfully restored, and visitation is growing. Private investment in the Valley is nearly four times the National Park Service investment.

Key words:

American
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Robert Billington, President
Blackstone Valley Tourism Council Inc
Blackstone Valley Visitor Center
175 Main Street
Pawtucket, Rhode Island, 02860 USA
BVRI@AOL.COM

Introductory Footnote:

Robert Billington is a Certified Tour Professional. He holds an MBA in Hospitality Administration from Johnson & Wales University. He is the founder of the Blackstone Valley Tourism Council, a regional tourism planning, and development organization. He is Chairman of the Blackstone River Valley National Heritage Corridor Commission, and a member of the National Tour Association, the American Bus Association, and the Travel Industry Association of America. He is a second year doctoral student in the Educational Leadership Program at Johnson & Wales University in Providence, Rhode Island, USA. He seeks to improve the way tourism planning, and development is learned in the United States.

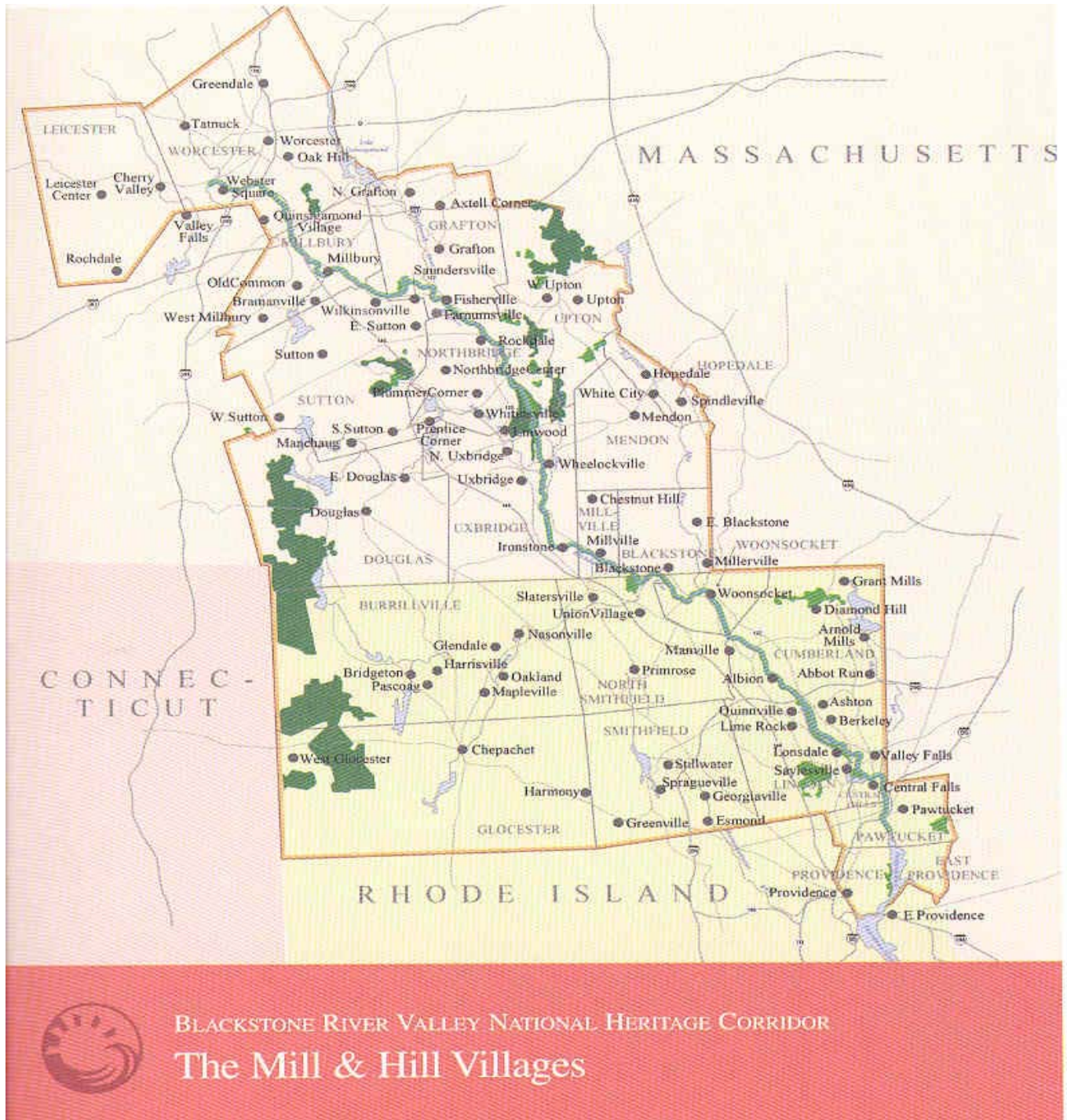
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The Blackstone River Valley is a unique place. It is the region that played a “seminal role in transforming New England, and America, from a colonial landscape of farmlands and forests to one of riverside mills and urban factories” (ntaonline, 2003). Its claim to fame is being the *Birthplace of America’s Industrial Revolution* (SMHS, 2002). According to the United States National Park Service, the Blackstone Valley, is: “one of the Nation’s richest and best preserved repositories of landscapes, structures and sites that recall a neglected era of the American past: the age of industry” (CHLMP, 2001). The Blackstone Valley is situated in New England, 200 miles north of New York City, 40 miles south of Boston, Massachusetts and 10 miles north of Providence, Rhode Island. The Valley encompasses 2 states, 24 communities, and 400,000 acres of land. It is home to 450,000 people. (Figure 1.)

The Blackstone Valley takes its name from the Reverend William Blackstone, the first European settler to make his home on the banks of the river in 1635 (Boucher, 1986). The 45-mile long Blackstone River flows from Worcester, Massachusetts to the top of Narragansett Bay in Pawtucket, Rhode Island, dropping approximately 450 feet along the way (CHLMP, 2001). Following William Blackstone came farmers, and metalworking artisans, mostly immigrants from England (CHRC, 1990).

The Valley rose to national prominence in 1790, when English immigrant Samuel Slater built the first successful water-powered cotton-spinning mill in America (SMHS, 2002). “More than any other single event this...can be said to mark the birth of the American Industrial Revolution, and the complete transformation of American life, and character” (CHLMP, 2001). He was barely an adult, when his work in America served to sever the economic tie between America, and England, thus making America truly economically, and politically free.

Figure 1. The Blackstone River Valley National Heritage Corridor



Source: Blackstone River Valley National Heritage Corridor Commission (TNTY, 1999)

The Blackstone River drops 10 feet per mile over its run from Massachusetts to sea level in Rhode Island. This unusually steep drop provided Slater, and his successors with the ability to harness the Blackstone for waterpower, to the extent that it became known as the “the hardest working river in America” (CHLMP, 2001). Because of his unique understanding of manufacturing, and business, Slater went on to become known as the *Father of American Manufactures*. He, and his partners established several manufactories throughout Southern New England (Rivard, 1974).

The Blackstone Valley communities, and their creative people had the technology, knowledge, and ingenuity to capitalize on the energy of the river, and this drove the United States economy. Hundreds of mills were built throughout the Blackstone Valley after Slater’s success. These enterprising textile mills provided the underpinning for the United States, to become a world economic leader. Immigrants flocked to the Blackstone’s textile industry from all over the world. They came to create a new life in America, and to secure their version of the American dream. They first settled along riverfront villages, in what are today the cities Pawtucket, Cumberland, Central Falls, and Woonsocket.

After 150 years of aggressive growth, and prosperity, the textile industry in the Blackstone Valley was hit by hard times. Companies moved south, the mills grew silent, and abandoned. Outdated technology, labor troubles, and the climate were to blame (CHLMP, 2001). The region was plagued with decaying mills, contaminated landscapes, a toxic river, and plunging community morale. The Blackstone Valley lost its identity. It was a place for the economically deprived to live, and a place of disinvestment. Abandoned mills were often offered to communities, and not-for-profit organizations for taxes owed, or for no money at all. Loosing an abandoned textile mill to fire became a regular occurrence in the Blackstone Valley.

The textile industry that built America eventually killed the Blackstone River, and devastated its environment. With its textile industry decimated, the people of the Valley were

faced with increasing high unemployment, approximately 14% in 1982. People moved their homes, and their businesses away from the Blackstone River Valley, which once had given them purpose. The Valley was in an economic free-fall.

The social turmoil, and restlessness in the United States in the 1960s led to positive action along the Blackstone River. In 1972 change began to emerge. The people of the Blackstone Valley had enough of their polluted river, and wanted to do something to bring it back to a better day when it ran clear. With leadership from volunteers, and support from Rhode Island's major newspaper, they organized under the banner, *ZAP the Blackstone*, and built a 10,000-person cleanup project in September of that year. This Herculean environmental effort, which cleaned the river of trash, refrigerators, washing machines, and thousands of tires, coincided with environmental activism around the world (Providence Journal, 1972).

With the *ZAP the Blackstone* project taking hold of people's imaginations, plans for a cleaner community, and the idea of a linear park along the river were born. By 1985, an effort to develop a program to attract visitors to the Blackstone Valley was launched. Although tourism development was laughable to many in Rhode Island because of the past 200 years of environmental degradation in the Valley, after five years the programs of the Blackstone Valley Tourism Council began to work, and people became believers in this new industry. The planning, development of tourism in the Blackstone Valley started to become a priority in every community in the Valley. The idea of the Blackstone Valley becoming a visitor destination was launched.

The former textile mills were seen as important places of heritage, and key to the future of the Blackstone Valley. They were to become a necessary part of a success story. "Tangible heritage, includes all assets that have some physical embodiment of cultural values such as historic towns, buildings, archaeological sites, cultural landscapes, and cultural objects, or items of movable cultural property" (McKercher & duCros, 2002). Some empty mills were being

considered as places to convert to living, and work places in the early 1980s. Morris and Phyllis Nathanson developed the Valley's first, successful, live-work artist lofts. Their second project is under development.

It took years before the river's natural life began to show signs of recovery, and many more before it will be clean enough for swimming, but the river regeneration has progressed. People were considering a return to the river for purposes other than industry. Tourism, historical preservation, and landscape planning are working in unison. The first condominium mill-reuse project to be built on the Blackstone River in the mid 1980s was Blackstone Landing in Pawtucket. After several years of financial difficulties, and a soft market, the project is a sought-after place to live. Collette Vacations, the oldest tour operator in America, makes their high-tech world headquarters in a major portion of this building employing hundreds (M. Cassidy, personal communication, March 2003).

To improve the Blackstone Valley, more needed to be done. Officials in the State of Rhode Island, and the Commonwealth of Massachusetts knew that if the health of the river were to be improved it would have to be accomplished in a different way; it would have to be done across state jurisdictions. In the early 1980s the two states petitioned the National Park Service to review the Blackstone River Valley, and all of its historic, and cultural resources, to determine any level of national significance. The National Park Service, after two years of study, determined significance, and an urgency to save what was still intact in the Blackstone Valley. It took several years of work, and support by the Rhode Island and Massachusetts U.S. Congressional delegation, and extensive state, local, and organizational support, before President Ronald Regan signed the Blackstone Valley National Heritage Corridor Act into law in November of 1986. The National Park Service was assigned responsibility to work in the Blackstone Valley. The Park Service would recognize the Blackstone Valley, as the Birthplace of the American Industrial Revolution. This was a significant turning point in the future of the

Valley by providing recognized status. The idea of the creation of a visitor destination had a greater chance of success. Along with the Blackstone Valley, America was beginning to look at its national heritage in an entirely different way. Just prior to the Blackstone Valley's designation in 1986, Congress designated the Illinois and Michigan Canal National Heritage Corridor as America's first Heritage Corridor. The Delaware & Lehigh National Heritage Corridor was designated in 1988 following the Blackstone. Since then, twenty more National Heritage Areas have been designated by the U.S. Congress (Copping, 2003). This type of joint community/national development strategy was becoming important to America. According to August R. Carlino, Chair of the Alliance of National Heritage Areas:

Heritage development – the conservation of historical and cultural resources, the protection of natural resources, the development of tourism and community revitalization programs, along with the establishment of education and interpretive projects – has become a critical element in the economic strategies that are being crafted in communities, cities and states across America (ANHA, 2002).

Congress designated the Blackstone Valley a National Heritage Corridor for the purposes of: “preserving, and interpreting for the educational, and inspirational benefit of present, and future generations the unique and significant contributions to our national heritage of certain historic and cultural lands” (Public Law 99-647, November 10, 1986). The National Park Service would assist in interpreting, planning, and coordinating heritage development activities throughout the Blackstone Valley. All improvement, redevelopment, and regeneration projects would remain in state, local, or private hands, with the National Park Service lending leadership, technical assistance, financial resources, and their imprimatur to the region. The National Heritage Corridor legislation provided both Rhode Island, and Massachusetts the opportunity, and a mechanism to work jointly with the National Park Service to achieve common objectives.

Visions for significant change, and future success, had to be made graphic, and clearly communicated so community; state, and federal leaders could understand what was possible

for the Blackstone Valley. This was done through a call to action to develop community driven plans; ones that could be implemented, and from which the community would benefit. It was critical that residents shared a common vision, a national vision, so the Blackstone Valley could be reborn. “Increasingly, it is recognized that cultural heritage management needs to adopt a community wide or regional perspective, rather than focusing on individual buildings or sites” (McKercher & duCros, 2002).

Education played, a large part in the changes in the Valley. The Blackstone Valley Tourism Council, in 1989, began to lease small riverboats, and eventually raised enough funds to build their own 49-passenger riverboat for the Blackstone River. Their educational staff developed curriculum for environmental, and historical tours from kindergarten to graduate level education. This project titled *Riverclassroom* has helped educate thousands of school children, and public officials, and decision makers on the value of public investments along the Blackstone River. This project has lead to the initiation of a Blackstone River Science, Exploration and Research Center, the Blackstone Valley Distance Learning program, and life-long learning programs for graduate schools, Elderhostel learners, and several colleges in Rhode Island.

Education on all levels of the community has brought about change, both attitudinally, and financially. Since the creation of the Blackstone River Valley National Heritage Corridor, approximately \$21 million in federal funds have been invested in the Valley. These funds have assisted 24 communities, and hundreds of projects in both states. Each project leverages these federal funds, to tell the Blackstone Valley National story.

The National Park Service funding has been key in creating a high profile context for private investors. This federal investment is beginning to shrink as a percent of what private investors are investing in the historic resources of the Valley. Over \$73.5 million in private funds have been attracted to the Rhode Island riverfront portions of the National Heritage Corridor;

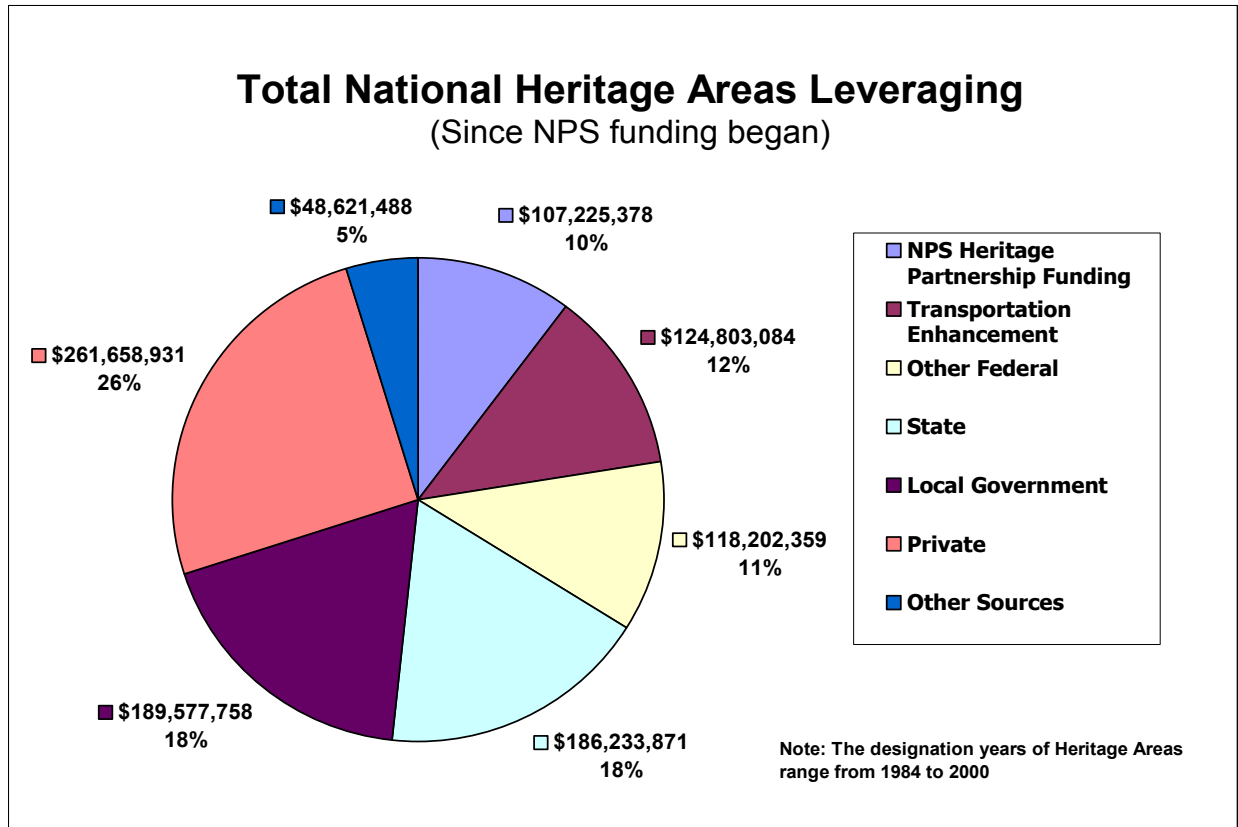
most of these funds have been invested in the last five years. Data on Massachusetts's private investments in the National Heritage Corridor are currently being collected. Early information indicates that these Massachusetts investments are comparable to, or exceed the ratio of the private investment in Rhode Island projects.

It took several years for change to be noticeable in the Valley. The public investments in culture, heritage and land-use planning are bringing improvements in quality of life along the Blackstone River. The length of time to see change was to be expected. Even though the end products of regional tourism planning should include stimulation of tourism awareness, new interagency governmental cooperation, greater public-private collaboration, and identification of zones of greatest potential, seldom does this process immediately result in brick-and-mortar new tourism development (Gunn, 1994).

According to the planning documents of the National Heritage Corridor, community-wide education is the way in which their mission is being accomplished. "The Commission will focus on education, support for recovery programs at the various governmental and grassroots levels, and opportunities for the River to become a vital part of the community and economic revitalization" (TNTY, 1999).

The Blackstone Valley National Heritage Corridor plans, goals, and objectives are similar to the other 22 National Heritage Areas. While individual Heritage Area priorities and activities are different, they all share the similar goal of telling our nation's story. (Copping, 2003). According to a study performed for the 23 National Heritage Areas, and the National Park Service, \$107,225,378 has been invested into the areas by the Park Service, since the inception of the National Heritage Area program in 1984 (Chart 1). These figures were collected from each Heritage Area in preparation for a March 13, 2003 hearing on the National Heritage Areas Program before the Senate Subcommittee on Parks, Historic Preservation and Recreation. Paul Hoffman, who spoke on behalf of the National Park Service, quoted figures that indicated the leveraging power of NPS funds. On a private level, \$261,658,931 has been invested. A match of over \$2 in private money is attracted by every \$1 of National Park Service invested in these areas.

Chart 1. National Heritage Areas Program, Leveraging and Resources Information, March 2003



Source: National Heritage Areas Program, (March 2003)

Table 1 indicates that the Blackstone Valley private investment attracted, compared to National Park Service funds, outpaces the National Heritage Area average. Chart 2 also shows that businesses, and financial institutions are considering the Blackstone Valley a sound place to invest their money and future. Private investors are following these public investments, and their funds are spilling-over into the riverfront downtowns, that are begging for revitalization dollars.

Table 1. Blackstone River Valley National Heritage Corridor, National Park Service Investments Compared to Private Sector, River-related Heritage Project Investments in Rhode Island.

Fiscal Year	NPS Annual	Private Sector in RI
1987	50,000	1,200,000
1988	350,000	
1989	325,000	2,000,000
1990	320,600	
1991	696,000	
1992	2,518,000	
1993	1,537,000	
1994	1,047,000	
1995	1,325,000	
1996	860,000	
1997	1,020,000	
1998	1,069,000	
1999	1,330,000	10,000,000
2000	1,727,000	1,300,000
2001	3,391,000	500,000
2002	2,106,000	1,000,000
2003	2,107,000	57,500,000
TOTALS	\$21,778,600	\$73,500,000

Source: Blackstone River Valley National Heritage Corridor Commission, City of Pawtucket, City of Central Falls, City of Woonsocket. (March 2003)

Private riverfront investments in just a very few projects in the Blackstone Valley

National Heritage Corridor include:

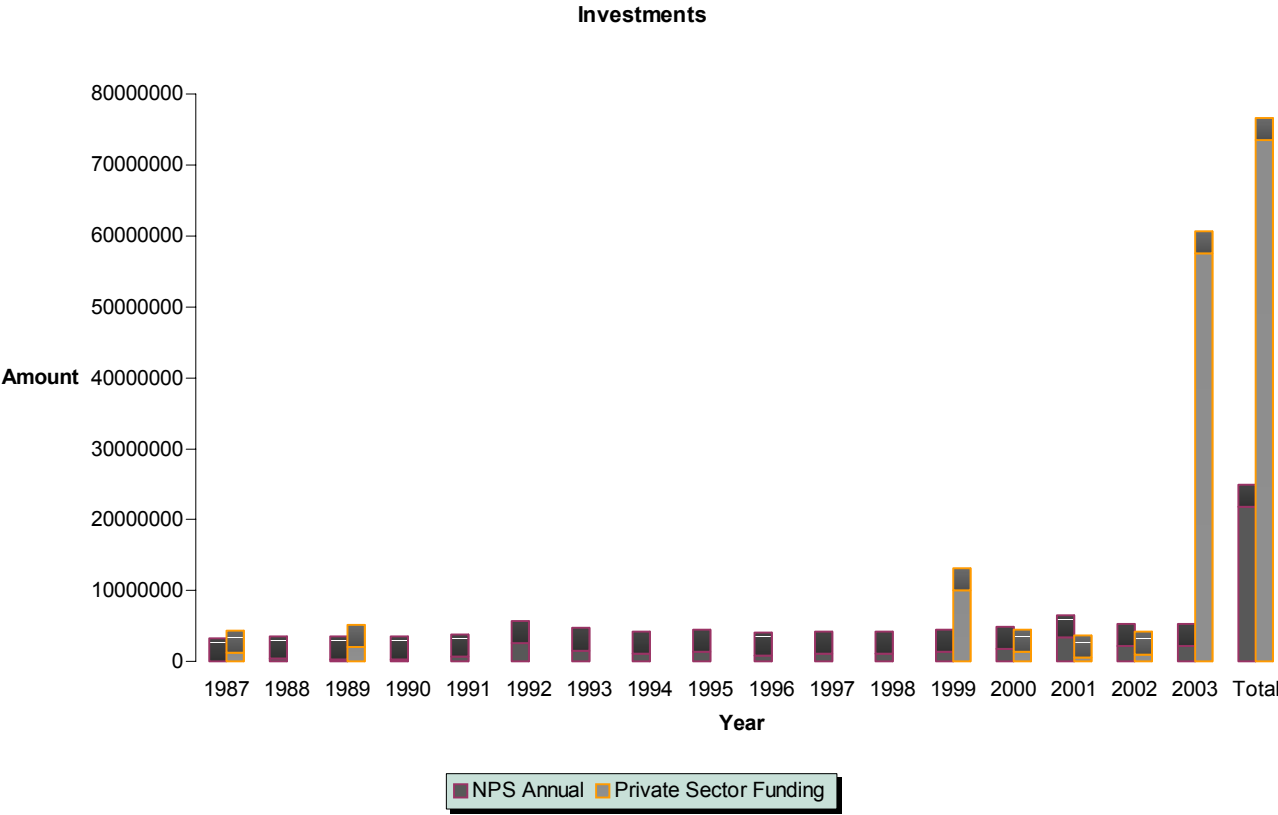
- The American Heritage River Building in Pawtucket, purchased in 1999 by Louise Yip, has undergone a \$10 million renovation. Over 400 people work in this complex where wire cable was produced.
- The \$15 million Pawtucket Riverfront Lofts, a live-work condominium project, is underway. It is a high-end, former textile mill, redevelopment project that is drawing people to the river. These new residents will help reinvigorate downtown Pawtucket.

- Two miles up the river, the Central Falls Landing project is planned with an expected \$8.5 million private investment. This former braided rug facility will have a restaurant, banquet facility, river science research exploration center, and retail shops (M. Cook, personal communication, March, 2003)
- Three miles further to the north, the Ashton Mill is being converted to market-rate apartments by one of America's largest housing developers, Forest City Residential. The Ashton Mill is similar to two other mills in Cumberland, each having brick houses for mill workers, and their families. "The villages were conceived and executed as self-contained communities, characterized by harmonious design and materials" (HARCRI, 1990). This project, adjacent to the River and Blackstone Bike Path, will encourage the redevelopment of dozens of historic brick houses built for the former mill workers. This is a \$34 million project.
- Highland Falls, in Lincoln, is a very successful, former cotton mill, turned into a beautiful riverfront condominium, but it was not always successful. This was the second riverfront condominium complex along the Blackstone River. This project, like the Blackstone Landing project in Pawtucket was visionary in the late 1980's, and did not perform well financially at first. Today it is a vibrant community, with a waiting list of people who would like to call this "mansion" on the Blackstone River and Blackstone Valley Bike Path, home (S. Sheppard, personal communication, March, 2003).
- In the City of Woonsocket, just a few more miles to the north on the Blackstone River, the former Narragansett Knitting Mills is being developed as market rate housing (M. Presbilowitz, personal communication, March, 2003). This is a project that will change the demographics of the city, bringing younger, professional people downtown to live near the Blackstone River. The location of

this handsome renovation is across from a new riverfront park, the Museum of Work and Culture, and the stunning renovation of the First Woonsocket Rubber Company building.

- In North Smithfield, the early stages of planning are underway to restore the 1800s John Slater Mill (Samuel’s brother).

Chart 2. Blackstone River Valley National Heritage Corridor, National Park Service Investments compared to Private-Sector River-Related Heritage Project Investments in Rhode Island.



Source: Blackstone Valley Tourism Council Files (March 2003)

Artists, and small business owners, are finding the Blackstone Valley an interesting place to live, and work. Affordable historic mill buildings, and a welcoming can-do attitude in each city and town, are bringing artists back to the Valley where innovation, and creativity was

launched in America two hundred years earlier. Professionals are eager to establish a residence, and build their businesses in the Blackstone Valley.

The federal investment of federal National Heritage Corridor dollars since 1986 has fueled redevelopment. Based on this federal foundation, programs to develop tourism, clean up the River, create heritage museums, restore theaters, build a bike path, and plan a river access system, including the construction of two riverboats, are investments that are drawing significant private funds to the Valley. According to an interview with Suzanne Copping, staff member of the National Park Service, National Heritage Area Study project, each National Heritage Area has capitalized on their national status to attract others funds, especially private funds (April, 2003).

Public investments throughout history have drawn private investors. Private investment along side the interstate highway system exits is an example of how private investment follows public investment. The Blackstone Valley has risen to the standard where its plans for preservation are deemed worthy of private investing. Several more buildings, in historic districts, are being sought by preservation minded private investors. This could mean sustainability of the historic fabric of the Blackstone Valley, which is vital to residents, their cultural history, and the visitor industry.

Over its entire landscape, the Blackstone Valley teaches about the relevance, and significance of America's Industrial Revolution, and the enormous changes it made on people's lives. The Blackstone River Valley has halted its economic free-fall. Each community, working together with their respective states, the National Park Service, and dozens of non-profit organizations, is making the Blackstone Valley a region in which to live, to invest, and to visit. Through education, and investment, the Valley is cleaning up its environment, preserving its past, drawing visitors, and is telling its story of national significance to the world. "Education

remains the foundation for building public support for the conservation of natural resources connected to the River watershed” (TNTY, 1999).

The investments of public money in the National Heritage Corridors around the United States have made a difference. These investments have attracted private dollars but also these areas have also attracted interest in other parts of the United States who wish to copy the model established in the Blackstone Valley. As of March 31, 2003, the National Park Service indicated that 65 new projects were pending before the 108th Congress of the United States (NPS Office of Legislative, and Congressional Affairs 2003).

In the Blackstone Valley, education leadership, and involvement on all strata of the community has created positive change. Bringing lower-income school children onto the Blackstone to understand the past, and the future of their Valley, has become important. In every high school throughout the Blackstone Valley, a river monitoring program takes place. Students are taught that improving the health of the river means a brighter future, and more private investment in their Valley. The Blackstone Valley works closely with higher education institutions in several areas to keep this progress moving. The University of Rhode Island, and the University of Massachusetts created the first benchmark economic study of the region. Clark University, Johnson & Wales University, Bryant College, and Assumption College are all participating in programs that help the success of the Blackstone Valley’s regeneration. These higher education institutions also provide students the opportunity to participate in internship services with organizations in the Valley. Students’ staff a Visitor Center, and work on the planning, and implementation of projects, and special events throughout the Valley. This relationship between community revitalization, and education is a key success agent for attracting millions of dollars in federal, and private investments to the Valley.

The work completed in the Blackstone Valley over the last several decades has created a generation with a new awareness of their natural, cultural, and historical resources.

Community revitalization, based on education, historic preservation, landscape improvements, private and public investments, are causing this new found awareness to ensure the Blackstone Valley is not just a place to make a living, but a place worth living.

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Submitted to:

Journal of Travel & Tourism Marketing
Professor Kaye Chon
Chair Professor and Head
Dept of Hotel and Tourism Management
The Hong Kong Polytechnic University
Hung Ho, Kowloon, Hong Kong
hmkchon@polyu.edu.hk

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