OVERVIEW

For fueling economic growth and for the political and organizational achievement it represented, the Erie Canal became a symbol of America’s promise. Celebrating the prosperity attributable to the canal – the economic renaissance, expanded markets, the effective reduction in distance and time enjoyed by businesses, tourists, and settlers – means celebrating the nation’s earliest regionally organized economic system. This system thrived because community and commercial self-interest overlapped with the common interest: towns and businesses alike owed their living to the canal.

Today, the 524-mile New York State Canal System and the remnants of its predecessor towpath-era canals continue to represent a regional asset for economic development. Once linking markets, they now link natural, cultural, recreational, and historic resources. These resources, along with other key elements of a healthy economy such as a productive labor force, educational institutions, and transportation facilities, are part of the fundamental infrastructure that drives quality-of-life-based investments by businesses and individuals.

Because they are regional assets shared by the public and private sectors, protecting and enhancing these resources requires regional mechanisms to promote investments that respect local character and identity and contribute to placemaking. As in the heyday of the canals, success in the Erie Canalway National Heritage Corridor will result when public and private investments, intended to increase individual competitiveness, reinforce each other and advance the region.
Economic Revitalization

The preceding chapters detailed the rich array of historic, cultural, natural, and recreational resources within the Corridor, along with a host of recommendations for preserving, enhancing, and interpreting them. This chapter focuses on heritage development – an economic revitalization approach that respects these assets’ intrinsic value and uses them to strengthen the Erie Canalway brand, expand upstate New York’s economy, and help it compete in the market for place-based investments.

Upstate New York has been undergoing extensive restructuring for nearly two decades as it transitions from dependency on traditional manufacturing to a more diversified economic base featuring strong service, tourism, and technology sectors. Significant resources and numerous organizations devoted to economic development have been deployed at local, county, regional, and state-wide levels, using a blend of proven and innovative strategic techniques. Certainly any initiative which duplicates existing efforts risks increasing the system’s inefficiency by adding to its complexity.

No one organization can take on the breadth and depth of actions necessary to ensure that the Corridor evolves in a way that reflects the region’s heritage values. Moreover, the Corridor encompasses communities with widely varying assets for regional development and plans for achieving a desired future. It will take the collective know-how, skill, resources and energy of the private sector, labor, citizens, educational institutions, and all elements of government working in concert to achieve these goals. The Erie Canalway National Heritage Corridor Commission seeks to act as keeper of the larger vision, working to build deeper appreciation and understanding for the potential of heritage development.

Approaching economic development regionally entails overcoming challenges associated with any complex endeavor involving numerous stakeholders, limited resources, and shared authority, including:

- balancing local and regional concerns and priorities;
- navigating a web of jurisdictions and agencies with different governance and decision-making approaches;
- overcoming conflicts inherent in diverse regulatory systems and dealing with new stakeholder representatives with each election cycle or staffing change;
- managing communications and coordinating without micro-managing or relinquishing control; and
- choosing between competing projects/locations and identifying funding and other project resources that can be brought to bear upon the effort.

Other heritage areas around the country overcome these challenges by creating productive working relationships with existing organizations engaged in complementary activities. Thus, the added value of the Erie Canalway National Heritage Corridor is its emphasis on partnerships that cross jurisdictional boundaries and build on the mutual interests of economic and heritage development.

Whitehall

The Village of Whitehall, near Lake Champlain’s southern tip, was a center of waterfront activity long before the canals were built. Businesses settled on Main Street along the first Champlain Canal, and a district of 19th century buildings was placed on the National Register of Historic Places in 1974.

The 1995 NYS Canal Recreationway Plan designated Whitehall as a Canal Harbor Community, and in 2000, the NYS Canal Corporation funded park improvements including an amphitheater and gazebo overlooking the Champlain Canal, a picnic shelter, a boat launch, a community building with public facilities and showers, bulkhead tie-downs for large tour boats, and floating docks for small boats. Young and old, visitors and residents alike use the park, which also attracts boaters to stop overnight and frequent the local bank, laundromat, and stores. At the north end of the park, the Whitehall State Heritage Area visitor center and the Skenesborough Museum, which is housed in a reused wooden canal terminal building, interpret local history.

Renewed public interest in the waterfront and grants from the NYS Governor’s Office for Small Cities helped to convince private developers to purchase four canalside commercial buildings in 2004, rehabilitate the properties, and restore their original uses as ground floor retail spaces with residences above. By consistently demonstrating that it values its heritage, the people of Whitehall have made their waterfront work for them once again.
GOALS

The economic revitalization goal for the Erie Canalway National Heritage Corridor is that economic growth and heritage development in the Corridor will be balanced and self-sustaining. Rather than establish specific desired outcomes, the four objectives below set forth a philosophy to guide future Erie Canalway National Heritage Corridor Commission decisions and infuse them with an economic development perspective:

Harness existing tourism, industrial, agricultural, and community development assets in the service of economic development that reinforces the region’s sense of place

The Commission’s approach to heritage development will seek to identify and strengthen the interests of all concerned by leveraging the Corridor’s wealth of historic, cultural, natural, and recreational resources for economic purposes without degrading these assets.

Increase local capacity to undertake heritage- and place-based approaches to economic development

The Commission will help foster formation of networks of communities that can learn from one another and that can be marketed to investors and travelers, help coordinate the actions of existing organizations and jurisdictions, and encourage partnerships that can leverage existing financial resources.

Establish a unifying National Heritage Corridor identity of place and lifestyle that complements regional identities, tourism destinations, and individual cities; links lesser-known towns; and encompasses canal stories

The Commission will take an inclusive approach to building a brand identity for the entire Corridor. Signage and wayfinding, tourism development, and community and economic development efforts will broadcast a consistent, balanced approach to heritage development and economic growth throughout the Corridor.

Integrate a heritage- and place-based perspective into every message communicating the benefits and rationales underpinning Corridor public investment decisions

Advocating investments that make the region a better place entails a persistent, focused educational effort. The Commission will advise and help communities and their leaders make and communicate decisions that improve the quality of the region as a venue for businesses and families.
CONTEXT

The Erie Canalway National Heritage Corridor will operate within a complex web of jurisdictions and organizations devoted to economic development concerns. Political subdivisions include counties, cities, towns, and villages in addition to the regional service areas of several state agencies. All counties and the larger cities devote staff and funding resources to economic and tourism development, sometimes by supporting third parties such as convention and visitors bureaus or industrial development authorities. Privately supported organizations such as chambers of commerce and other associations, utilities, and some universities contribute to the system as well.

The state and federal agencies contributing to economic development organize service provision according to regions; examples include the federal Economic Development Administration, the Thruway Authority and Canal Corporation, Metropolitan Planning Organizations, and districts defined by the Department of Transportation, the Department of Environmental Conservation, the Division of Housing and Community Renewal, the Governor’s Office of Small Cities, the Department of Agriculture and Markets, and the Empire State Development Corporation and its Division of Marketing, Advertising and Tourism. Funding available through these and other agencies supports additional organizations with economic development responsibilities, including the Centers for Advanced Technology, the University-Industry Partnerships for Economic Growth, the Board of Cooperative Educational Services (BOCES) system and others. The Corridor also overlaps the areas of several New York State Empire Zones, seven regional planning areas, the Hudson River Valley National Heritage Area, and several New York State Scenic Byways – including two National Scenic Byways and an All-American Road – and encompasses most of the Mohawk Valley and Western Erie Canal State Heritage Corridors, as well as eight state heritage areas, all with economic development functions of their own.

This list is not an exhaustive compendium, but it illustrates the multifaceted nature of economic development services delivery in the Corridor. Together, these and other agencies, organizations, and programs:

• provide an array of services to businesses, entrepreneurs, and jobseekers through a wide array of traditional economic development activities geared toward ensuring workforce readiness, technology investment, product/process improvements, tax relief, and site availability;
• invest in transportation, communications, water/sewer treatment facilities, power, industrial parks, and other physical infrastructure required for economic growth;
• navigate through complex interlocking and overlapping service areas, program offerings, and funding pressures; and
• coordinate with parallel systems existing to advance tourism development, community development, conservation, and historic preservation.

Ensuring that the National Heritage Corridor carves out a mission that is both useful and unique is critical to ensuring the support of those already working on behalf of the region’s communities.
HERITAGE DEVELOPMENT IN NEW YORK STATE

In the Erie Canal’s heyday, upstate New York led the country’s phenomenal economic growth and enjoyed vibrant cities, a productive workforce, and seemingly limitless potential. This potential remains genuine, as evidenced by the region’s resilience and ongoing recovery from several decades of economic restructuring, especially in manufacturing-dependent communities. Significant efforts to reverse declining job growth and impacts on population, income, and employment are underway (see Appendix 7 for discussion).

Positioning the Corridor economy for future expansion means:
• recognizing that education and health care will be central to the region’s future economy, and nurturing those sectors;
• supporting the agricultural sector’s ability to take advantage of new opportunities in agritourism and both the commodity and specialty food markets;
• helping traditional industries and enterprises engaged in business and professional services so they can supplement the remaining manufacturing base;
• investing in social and economic infrastructure, including childcare, affordable housing, internet access, local school systems; and
• engaging in placemaking activities and investments to increase quality of life, business and tourism development.

New York State has a record of making investments and regional land use planning decisions in support of greater stewardship goals. State agencies have also strived to be good neighbors by moving their offices into downtown commercial districts and practicing context-sensitive design for Canal Corporation and Department of Transportation projects in areas with historical significance. And since tourism is one of New York’s key economic sectors, heritage development has long been accepted in New York as a potential contributor toward economic development.

This attention to the importance of place is also reflected in numerous local and regional efforts to encourage sustainable growth practices. Sustainable growth seeks to maximize the efficiency of municipal services and reduce negative environmental impacts by channeling new growth into areas that are already developed. Possible strategies include making sustainable development projects eligible for low-interest loans via a revolving loan fund, as well as other incentives, such as certain real property tax exemptions and priority for state financial assistance; or creating a state-level office of local assistance to provide technical, scientific, and financial assistance to localities in support of sustainable growth planning.

Meanwhile, communities across the state are beginning to think regionally and address quality of life as an economic development matter. In western New York, the Buffalo Niagara Partnership, the New Millennium Group, the Waterfront Regeneration Trust, and the Urban Design Project at the University at Buffalo State University of New York are all working toward establishing a bi-national, regional approach to managing development and creating a “green infrastructure.” In the Albany area, rapid growth has led the Capital District Regional Planning Commission and the Capital District Transporta-
Economic Revitalization

Amsterdam

Since completing its Local Waterfront Revitalization Program over twelve years ago, the City of Amsterdam has been quite successful in advancing its implementation, largely as a result of numerous grants from the Environmental Protection Fund and direct assistance from the NYS Canal Corporation.

To date, the Department of State has awarded four grants totaling over $1 million to the city for a variety of projects, the largest of which is construction of Riverlink Park adjacent to the downtown. The park has reconnected the city’s downtown with its long neglected Mohawk River waterfront and now serves as a major recreational and economic activity center for the region, bringing both residents and visitors downtown to utilize amenities including gardens, children’s playgrounds, a roller/hockey rink, transient boat docking, a café, and a summer concert program at an open-air stage.

Completion of the smaller Port Jackson Park nearby has been the focal point for revitalization efforts within the South Side neighborhood. Key to the city’s success has been the development of partnerships with state agencies and an extensive fund-raising effort involving local businesses and community organizations.

These initiatives recognize that although individual communities may lack the scale and resources to be competitive on a national and international level, an organized, proactive region can compete effectively for jobs and growth. And they explicitly promote cooperation among the many businesses, not-for-profits, economic development agencies, chambers of commerce, public officials, and private individuals who comprise the region’s leadership.

HERITAGE DEVELOPMENT IN CANALWAY CORRIDOR COMMUNITIES

A number of inter-related challenges face the economy of the Erie Canalway National Heritage Corridor.

- Many individual communities lack a sufficient concentration of historic, cultural, recreational, and natural attractions to market themselves competitively to potential residents, businesses, and visitors.
- There is not enough visible, physical, and conceptual connectivity between attractions and communities to provide the continuity that encourages visitors to move from region to region across the span of the Corridor.
- Important potential business opportunities that would enhance the Corridor experience and expand potential markets – such as boating rentals – require specialized expertise, extensive start up costs, and initial capital.
- Limited tourism marketing is presented to a narrow audience.

These challenges also represent the Corridor’s main areas of economic opportunity. Case studies of five Corridor communities – Rochester, Fairport, Pittsford, Oswego, and Whitehall (see Appendix 8) – revealed that while each community’s experience is unique, all witnessed a similar pattern of initial public investments in quality of life infrastructure that, over time, resulted in additional private investment, a substantial increase in visitors and public activity along main streets and canals, and a stronger sense of community pride. Specifically, the case studies found that:

- Linkages with regional trade area groups, public and private development organizations enhanced the potential of investments in heritage resources to support local community and economic development.
- Collaborative efforts to establish regional identities and marketing strategies for businesses and communities were more successful than isolated efforts.
- Public sector investments in canal system infrastructure enhanced or catalyzed locally based community development activities that, in turn, formed
Economic Revitalization

the basis for attracting a broad range of sustainable private sector investment.

- The most positive impacts on community quality of life derived from direct physical linkages between the waterfront or recreational facilities and town center retail businesses and from finding new uses for under-utilized historic buildings.
- Linkages with local colleges and universities fostered planning efforts and encouraged additional heritage activities and investment by taking advantage of student demand for recreation as well as academic resources for preservation, conservation, and economic development research and analysis.
- Although tourism is a major economic driver, heritage development initiatives also fostered other types of economic growth, such as private sector retail and recreational development.

There is strong evidence for the viability of heritage development throughout the rest of the Corridor. In 2002, the Canal Corporation commissioned an economic impact study that determined that canal system tourism contributed over $380 million in direct and indirect business sales annually. Large-scale mixed-use developments planned for the inner harbors of both Buffalo and Syracuse, as well as smaller-scale recreational and retail development in the Tonawandas, Amsterdam, and Fairport, demonstrate how a community’s waterfront location, historical attributes, and quality of life amenities can be leveraged to attract significant public and private sector investment.

One often overlooked asset for Corridor heritage development is the strong attachment to the region already exhibited by local residents. According to a study by the Northern New York Travel and Tourism Research Center, nearly half of current visitors to upstate communities originate in other upstate regions; a study by the Brookings Institution’s Metropolitan Policy Program showed that a significant proportion of new residents in upstate communities have moved from elsewhere in the region. Even as new residents, businesses, and visitors bring additional vitality and spending to the region, local residents will continue to provide a solid base of support for heritage investment.

In other heritage areas, tourism development has the potential to play an expanded role in local and regional economies as part of an integrated economic development strategy that complements the overall quality of life within communities. The fast-growing, high-spending tourism market segments interested in history, culture, and outdoor recreation are attracted in part by efforts to help them understand the nature and substance of the places they visit or live in. A detailed discussion of the role of tourism in heritage development is provided in Chapter 8, Tourism Development and Marketing.

RESOURCES ANALYSIS

When people make personal or business oriented place-based investment decisions – where to operate a company, hold a convention, accept a job offer, retire or vacation – they couple financial and personal concerns. Increasingly, quality of life is at the top of the scale as a factor important to these decisions.
Economic Revitalization

Although difficult to define, quality of life clearly encompasses people, values, economic opportunity, culture, and place. By reinforcing these features, heritage development can become the foundation for regional strategies for economic revitalization.

Investments in culture and place have become the centerpiece of economic development initiatives in communities throughout the United States, in part because they appeal to people with a wide array of motivations. Young people, families, retirees, and, in particular, creative people who launch or work for fast-growing companies driven by innovation, productivity, and talent – all seek communities providing diversity, lifestyle amenities, and other interesting people. Quality of life represents a highly efficient growth engine because many of a location’s advantages as a place to run a business parallel its advantages as a place to live and a destination to visit. Pleasant neighborhoods, a vibrant downtown, accessible recreational opportunities, beautiful natural settings, architectural character, cultural offerings – all of these quality of life amenities support growth, and all are supported by heritage development.

Heritage development enhances local quality of life through activities – preservation, conservation, recreational and interpretive development, and, above all, regional partnership and community capacity-building – that demonstrate respect for the people, the place, and the past. In this way, heritage development strengthens an area’s distinctive sense of place and enables it to vie with its competitors for residents, businesses, private sector investment, and visitors. When communities blend a mix of heritage development and traditional economic development strategies – targeted tax incentives, infrastructure improvements, assembled and prepared commercial or industrial sites, and other techniques – they can ensure a level playing field while also working to increase their attractiveness as places to live, work, and visit.

The preceding chapters of this Preservation and Management Plan provide ample evidence of the wealth of heritage resources in the Corridor. They range from carefully restored and interpreted historic sites to the many more numerous historic buildings that line the streets of the Corridor’s towns and cities and are in need of sensitive rehabilitation. They also include the many attractive natural areas, wildlife refuges, and state and local parks; outstanding recreational facilities; and a wide variety of educational and interpretive resources, museums and cultural programs, historic vessels and archaeological sites, scenic roads and agricultural landscapes. Every community in the Corridor has a unique mix of heritage resources, but they are all tied together by the physical presence and life of the waterways.

The New York State Canal System represents a remarkable heritage development success story. The modern and towpath-era canals serve multiple functions: as a primary heritage resource, a recreational facility, a habitat, a source of irrigation and power generation, a transportation route, a physical and conceptual spine for the entire Corridor, and a generator of economic revitalization. The past two decades witnessed significant public and private investments dedicated to restoring the canal system and adjacent properties. A study conducted by the Cornell Department of City and Regional Planning found that

Oswego

Oswego's waterfront revitalization strategy is anchored by a 1.5 mile shoreline promenade and park extending along both the sides of the Oswego River adjacent to the downtown. The park’s pedestrian walkway, transient boat docks and services, interpretive pavilions, and performing arts amphitheater provide a focus for the city’s commercial district and the basis for promoting the city as a tourism destination.

The city designed and constructed the Oswego River Promenade and Park with grants from the Environmental Protection Fund totaling over $1 million and assistance from the NYS Canal Corporation. The city estimates that these public investments have leveraged nearly $16 million in additional private investment in properties adjoining the waterfront, created several hundred new jobs, and energized its community development planning process.

The city is now updating its Local Waterfront Revitalization Plan, initially completed in 1986, to identify the next generation of projects needed to continue this revitalization effort. The city is taking a proactive role in preserving and redeveloping its historic retail business district through the use of historic tax credits to purchase and renovate a block of seven buildings. The city will relocate existing retail tenants, re-tenant the buildings, and sell them back to the private sector at the expiration of the tax credits.
these investments catalyzed economic development; enabled communities to attract and retain manufacturing jobs, as well as additional tourism-driven activity; advanced downtown revitalization; and changed public perception about the viability of economic development activity in upstate New York.

A MULTIDISCIPLINARY REGIONAL APPROACH

It is generally recognized that economic, agricultural, tourism, and community development interests overlap, as do the interests of preservation, conservation, recreation, and interpretation. All too often, however, advocates for these interests are pitted against one another. With a creative approach, diverse interests can coexist. Part of heritage development entails respecting the needs and contributions of traditional industries and the communities that rely on them for economic sustenance. Economic activities that reinforce the market’s sense of the National Heritage Corridor and strengthen its brand identity are especially valuable.

For example, the canal system is not just an historic or recreational resource; commercial shipping is crucial to the canals’ ongoing role in the regional economy. Commercial shipping is on the rise, a logical response to rising fuel prices and highway congestion; according to the New York State Canal Corporation, an estimated $102 million in cargo was transported via the canal system in 2004. Watching a tug and barge maneuver through the canal, perhaps delivering cargo as impressive as a 300-ton generator bound for a midwestern power plant, makes for a memorable and informative experience. With proper interpretation, such an experience attracts residents and tourists to the waterfront and also leads to greater support for commercial shipping in general, an under-appreciated element of the nation’s economic infrastructure.

Similarly, while agriculture represents the first industry supported by boat traffic on the towpath-era canals, it remains a central part of the Corridor landscape. According to the New York State Department of Agriculture and Markets, New York agriculture provides jobs for 100,000 farmers and their employees, generates over $3 billion in revenue, and provides a wide range of products to local, national, and international markets. Agriculture is also vital to the quality of life in the Corridor’s rural communities, and the preservation of open spaces, habitat, and scenic views. However, the contribution of agriculture to the region’s sense of cultural identity is not high in the consciousness of preservationists or the general public. New interpretative media, scenic byways, and downtown or canalside farmers’ markets can enhance the connections between agriculture and the preservation of the Corridor’s historical character.

Potential economic revitalization partners are sometimes limited by the geographic service areas defined in their charters or articles of incorporation. Although jurisdictional boundaries define most government activities, including economic and tourism development, most aspects of the economy ignore them. People and companies routinely cross city and county lines to go to work, to purchase goods and services and to pursue leisure activities. The success of any given business depends more on how the region’s economy performs than
Economic Revitalization

on how any individual jurisdiction fares; conversely, many jurisdictions share in the benefits it generates.

**EFFECTS OF HERITAGE DEVELOPMENT**

On a practical basis, heritage development seeks to forge productive partnerships across interests and borders. If regional economic forces affect business success, and the benefits of local economic development accrue regionally, then it makes sense to pursue these activities on a multi-jurisdictional basis that reflects how the economy actually functions. Similarly, if multiple factors affect location selection, and the benefits of preservation and conservation multiply those of traditional economic development approaches, then it makes sense to pursue those activities in a comprehensive manner that reflects the choices residents, businesses, and tourists actually make.

Successful heritage development is opportunistic – seeking out and filling physical, operational, and conceptual gaps in existing development efforts and outlooks. Downtowns, natural and recreational features, and historic and cultural attractions are strengthened and linked by improved interpretation, wayfinding, and marketing. Communities that lack a critical mass of heritage resources or organizational capacity are linked to central destinations and access points and encouraged to develop a collaborative identity and cooperate on strategic investments.

This kind of effort is a major part of the mission Congress has entrusted to the Erie Canalway National Heritage Corridor Commission. The track record of the growing heritage areas movement demonstrates their ability to make positive contributions to regional economies through heritage development. Throughout the nation, national, regional, and local heritage areas have successfully:

- helped stimulate small businesses, and helped traditional economic development service providers with agricultural preservation and business retention and recruitment efforts;
- spearheaded the revitalization of significant historic and cultural resources and the protection of natural resources that lend areas distinction and, hence, economic advantage;
- developed events, attractions, and recreational opportunities that draw significant audiences and attract new publicity and respect for their regions;
- established destinations and a sense of identity that made local businesses and residents revise their perceptions of long-abandoned places and spaces; and
- facilitated partnerships to accomplish complex undertakings that required cooperation across established boundaries, whether municipal borders, service areas, or traditional realms of authority.

Recent surveys of national heritage areas in particular show that the federal presence provided a significant advantage to heritage development efforts in the designated regions. All of these regions found that affiliation with the National Park Service conferred credibility with stakeholders and potential investors, facilitated the organization of local and regional interests, provided essential technical assistance, and enhanced fund-raising efforts. Overall, NPS National

---

**Tonawanda and North Tonawanda**

Both of these adjacent communities completed Local Waterfront Revitalization Plans to establish a vision and consensus on actions needed to establish their waterfront as a major Canal System harbor center.

As a result of this inter-municipal cooperation and partnership with state agencies, extensive pedestrian and boater access improvements have been developed, substantially improving the ability of both cities to take advantage of canal-related economic opportunities and expand the region’s signature heritage event, the annual Canal Fest of the Tonawandas.

Key to implementation have been nine grants from the Environmental Protection Fund, as well as direct assistance from the NYS Canal Corporation. A subsequent comprehensive plan for the City of Tonawanda, funded by Erie County, outlined strategies to further capitalize upon the waterfront area through brownfield redevelopment and establishing a historic district alongside the canal.
Heritage Areas program funding has leveraged additional dollars at a ratio of 1:8, with the private sector accounting for the largest share of leveraged funding.

Much of the economic impact of heritage areas is measured in increased tourism and its effects. In part, this is because changes in visitation and resulting tourism industry impacts are easier to measure, and more consistently tracked, than more indirect effects such as business recruitment or increased property valuation, which are affected by a range of economic factors of which heritage development is only a part. For example, a 2004 economic impact study of seven national heritage areas conducted by Michigan State University found that every additional twenty-five thousand heritage visitors spend an additional $2.5 million locally. This study acknowledged, however, that “the greater values of these programs will often be their contributions to historic and cultural preservation, education, and community identity and partnerships.”

GUIDELINES FOR HERITAGE DEVELOPMENT

The preceding chapters of this Preservation and Management Plan provide specific guidelines for the enhancement of the Corridor’s historic, cultural, natural, recreational, and interpretive resources. For heritage development to generate the broadest possible economic impact, these investments must be strategically planned and executed, and:

- balanced with broader economic development activities;
- aimed at improving the Corridor’s image and identity;
- supported by broad public interest and engagement;
- pursued on a regional basis through partnerships;
- designed to leverage existing programs and develop new funding sources; and
- targeted to build on the Corridor’s competitive advantages.

Although the Corridor is not an economic development entity, its core mission of heritage resource stewardship and interpretation, its strategic outlook, and its focus on coordination and regional partnership-building will enhance economic opportunities throughout the Corridor. Mindful of the immense challenge and scale of the Corridor and its limited resources, the Commission will invest time, funds, and support strategically, aiming always for greatest leverage in putting heritage resources to work in the Corridor’s economy. The Commission will seek to become the driving force to:

- resolve conflicts born of geography and/or jurisdiction to help the Corridor to function as a region;
- provide constructive criticism of existing and proposed programs and policies that affect the region’s economy, environment, and cultural assets;
- incorporate prior planning and bridge gaps between the region’s various economic and tourism development organizations and unite them in common purpose;
- involve the region’s top private and public sector leaders and economic development practitioners in generating ideas to leverage heritage assets;
- set priorities for Corridor project initiatives and assure their implementation; and

Successful heritage development is opportunistic – seeking out and filling physical, operational, and conceptual gaps in existing development efforts and outlooks.
Economic Revitalization

• inform state and federal decision-makers to help ensure their continued support and funding of the Erie Canalway National Heritage Corridor and its initiatives.

LESSONS LEARNED FROM CASE STUDIES OF CANALWAY CORRIDOR COMMUNITIES

The case studies of five Corridor communities, and additional conversations with Corridor economic development leaders, revealed that their most successful efforts were founded on the ability to identify and coordinate community and economic development objectives; define land-use plans ahead of development; and leverage public finance to encourage private sector investments. Typically, local planning and economic development agencies, supported by citizen groups and elected officials, led the effort for public grants and financing to mitigate environmental conditions, restore waterfront access, and rebuild public infrastructure. These efforts:

• increased usage of and appreciation for historic, natural, and recreational resources;
• provided greater physical and conceptual community and regional linkages;
• captured a greater share of the tourism market; and
• upgraded both community and regional image and identity.

Historic preservation planning and the availability of historic tax credits and grants played a significant role in attracting investment to town centers, but the requirements of preservation funding programs are still seen as a barrier to too many potential private investors. One successful strategy was public investment in one or two carefully selected adaptive reuse projects in critical downtown or waterfront locations, which increased public interest, attracted tourists and shoppers, and encouraged additional private investment nearby. Another strategy involved an initial public investment in making properties “developer ready” by clearing some preservation-related hurdles before marketing the properties to private investors.

In other communities, well defined and formalized community and economic development plans, particularly those that defined the waterfront as a key economic development asset, were essential for accessing funding for canal-related investments. Many communities recognized that their waterfronts and town centers provided the best opportunities to encourage new development and adaptive reuse, and invested in public improvements that served both residents and tourists. Rather than seek to attract “big box” retailers and large residential developers seeking greenfield sites, these communities focused on placemaking – selectively investing in projects that collectively contributed to the “canal town” or “historic downtown” setting that increased local identity and established a marketable image.

No single project or investment can be credited with the positive changes in any of the communities studied. Instead, it was the accumulation of public and private investments over time, and the consistent long-term focus on waterfront...
and downtown improvements, that yielded increased public activity and private development. Other critical factors involved:

**Community Outreach/Public Private Partnerships**

Community participation served to drive and maintain a focus on the potential of existing assets, such as the canal or underutilized historic buildings, to contribute to local community and economic development or recreational activity. In general, unity in purpose – the desire to leverage heritage values into economic impacts – helped move the political process forward toward consensus on community and economic development issues and fostered a vision for future growth.

**Predevelopment Planning and Approvals**

The ability to coordinate community and economic development objectives resulted in land-use plans more suitable for attracting private sector investment. Successful communities anticipated the economic feasibility and benefits for specific kinds of private sector investments, as well as the types and amount of public incentives needed to initially attract and sustain private sector investment. The resulting plans and assemblages and/or rezoning of parcels lowered barriers of entry for the private sector by effectively reducing pre-development costs and providing assurances that community consensus was in place for specific types of uses and projects.

**Project Planning and Approvals**

The project planning and approvals process presented the opportunity to begin effective public-private partnerships through the facilitation of project specific site plan approvals and the conveyance of public and quasi-public benefits to the private sector as needed to develop and sustain project feasibility. Local municipal agencies played a strong role as the “lead agency” in facilitating public finance and grant opportunities. Pre-approved planning, zoning, and environmental impact statements provided speed to market for investors, and lower project costs.

**Project Financing**

Invariably, public and public-private projects required financing from multiple sources including but not limited to: Community Development Block Grants and the Canal Corridor Initiative; Intermodal Surface Transportation Efficiency Act (ISTEA) and Transportation Equity Act for the 21st Century (TEA-21) grants; the Environmental Protection Agency; the Thruway Authority and Canal Corporation; the State Environmental Bond Act; funds from the New York State Office of Parks, Recreation and Historic Preservation, Department of Environmental Conservation, Department of State, and Division of Housing and Community Renewal; local municipal tax-exempt financing; and a raft of programs under the Empire State Development Corporation. In most instances, public sector investment came first to “prime the pump” and establish the value of the project.
Private sector financing had multiple sources, including but not limited to private equity (including low income housing and historic tax credits), conventional debt provided by local banks, and public and quasi-public debt and credit enhancement provided by local industrial development authorities, the U.S. Small Business Administration, Section 108 loan guarantees from the U.S. Department of Housing and Urban Development, the New York State Housing Trust Fund Corporation, and the Community Preservation Corporation. While conventional lending is available for private sector development initiatives, it appears that additional measures beyond public financing need to be taken to mitigate the perception of risk by conventional lenders. Pre-development planning and approvals can help with this problem at the micro level; at the macro level, a sustained campaign is needed to promote successful heritage development efforts based on public-private partnerships.

Public benefits should continue to play a role in attracting and sustaining private sector investment by reducing capital requirements and improving cash flow through ground leasing, project-specific public improvements (parking, waterfront access, open space, historic preservation), tax abatements, payments in lieu of taxes, and sales tax rebates on construction materials. However, the stewards of public economic development investment dollars should also consider the other cost-effective planning, partnership, and marketing measures described above. The Erie Canalway National Heritage Corridor will also focus on the broader strategic measures below.

**BALANCING STEWARDSHIP AND ECONOMIC DEVELOPMENT**

Enhanced stewardship of heritage and cultural resources will increase the likelihood that authentic expressions of the canal system’s heyday will survive. The structures and remnants of the canals are, of course, the central heritage resource, and, thanks to reinvestment by New York State of over $200 million, much of the canal system has been assured a long future. Many key historic sites are owned and maintained by non-profit organizations or public agencies. Those that are open to the public, such as the Chittenango Landing Canal Boat Museum and the Schoharie Crossing State Historic Site, are also contributing to the visitor experience and, hence, the region’s economy.

By far the largest number of heritage resources, however, are in the older sections of the Corridor’s villages, towns, and cities – in historic neighborhoods and downtowns. They are houses lived in by Corridor residents; public buildings such as schools, firehouses, and libraries; and main street buildings that are often occupied only on the ground floor. Some of these buildings, neighborhoods, and main street districts are listed on the National Register of Historic Places; fewer are protected under local historic preservation ordinances. Such protective listings are important stewardship tools and wider use of them is called for.

Inducing reinvestment in historic structures remains a critical issue in the Corridor. The sheer magnitude of heritage resources means that significant private investment in their rehabilitation and reuse is essential for their survival. Initiatives such as the federal Canal Corridor Initiative of the late 1990s stimulated
local government and private investment, but for the most part, absent significant public stimulus, the region’s economic recovery has not been sufficiently robust for private reinvestment to happen on a large scale.

Historic tax credits have become an important tool for encouraging investment in historic structures. The New York State Office of Parks, Recreation and Historic Preservation (OPRHP) administers the federal preservation investment tax credit for income-producing properties listed on the National Register of Historic Places. Many states have supplemented the federal tax credit with their own programs, some targeted at properties such as owner-occupied homes not covered by the federal credit, and others intended to match the federal program with additional incentives. The OPRHP administers a state tax credit limited to income-producing barns built or placed into agricultural service before 1936. Many heritage development efforts in other states have credited broader state historic tax credit programs with providing the essential impetus for private investment and adaptive reuse of key heritage resources, particularly in downtown areas.

Redevelopment in older cities and towns often involves time consuming property assembly, and can involve brownfield cleanup costs as well. Pre-development costs can be higher and less apparent. Consequently, private development dollars have tended to flow to more predictable greenfield sites, contributing to sprawl, which further saps the vitality of the Corridor’s historic towns and cities. A number of state programs for brownfield remediation, infrastructure enhancement, main street façade improvements, small business retention efforts, and loan guarantees are available to communities seeking to encourage reinvestment. However, competition for them is strong, and some communities lack capacity to raise matching funds or develop initial inventories or plans.

IDENTITY AND MARKETING

A successful brand represents the totality of thoughts, emotions, reactions, and assumptions evoked by a product. Brand strategies differentiate places in the minds of consumers – visitors, shoppers, and people making business and residential location decisions – and create a sustainable competitive advantage. The Erie Canal’s widespread recognition and nostalgic affection are tremendously valuable assets requiring strategic deployment and a plan for protection. How can this resource be capitalized upon for economic advantage?

As part of their work, nearly all of the jurisdictions and agencies operating in the Corridor strive to create an identity that markets their attributes, benefits, and services and speaks to the needs of various audiences, whether tourists, businesses, meeting planners, or decision-makers controlling funding and other resources. Since the Corridor is so extensive, the organizations and jurisdictions it encompasses often compete in the short run, even if mutual benefit accrues in the long run: a business invests in one location, which ultimately improves the broader regional economy; or a visitor chooses one destination, and later returns to another within the region. What results is a cacophony of marketing messages advancing competing brands, evident in both the economic and tourism development realms.
Economic Revitalization

The Erie Canalway National Heritage Corridor will build an identity that capitalizes on people’s affection for canals in general (and the Erie Canal in particular) in a way that works for a wide array of audiences and purposes, arching over the many other canal-related identities in play without obscuring them. Deriving a core brand identity that works for the full Corridor, speaks to its full economic development mission, and becomes incorporated into communication efforts is no simple task. Nonetheless, the more the Corridor’s tourism, community and economic development, and private industries understand and support a brand strategy, incorporating it into their promotion efforts, the sooner the market will absorb the brand identity. The design concept and strategies for employment of the Corridor’s graphic identity and marketing image are outlined in Chapter 6, Interpretation and Orientation, and Chapter 8, Tourism Development and Marketing.

INCREASING UNDERSTANDING OF THE HERITAGE APPROACH

There is growing evidence that people will expend extra time, effort, and money to be in environments with authentic character and a sense of time and place. Although some Corridor communities – especially those within state-designated heritage areas and corridors – are taking steps to support heritage-based approaches to economic development, others lag behind in capitalizing on existing local and state strategies and programs to preserve and enhance heritage resources. Main streets, historic residential neighborhoods, and heritage attractions should all be part of a larger community and economic development strategy.

Until there is wider and deeper understanding of the potential of heritage development, it is not likely to attain the degree of support needed for a more coordinated, strategic approach. The Commission will work to increase understanding among local and state officials, business and civic leaders, lenders, and others of the potential for a systemic approach. This will involve:

• commissioning and distributing publications of success stories applicable to Corridor environments;
• co-sponsoring field expeditions to enable local and state leaders to meet their counterparts and experience relevant examples of heritage development in other National Heritage Areas and Corridors;
• engaging the Corridor’s chambers of commerce, community development organizations, and elected officials in annual symposia on heritage-related development and its application to Corridor communities.

EXPANDING CAPACITY THROUGH PRODUCTIVE PARTNERSHIPS

Economic revitalization is a long-term game and most often requires multiple players (local governments, economic development programs, as well as private investors and property owners). It is best undertaken by organizations that are skilled at orchestrating complex revitalization projects, most of which require sophisticated financing, careful sequencing, and programmatic connections to larger environments (canalside marina facilities that need linkages to nearby downtown revitalization areas, for instance). Investing in community capacity

Pittsford

Pittsford has consistently placed a significant emphasis on historic preservation as a basis for planning and attracting future development. The village’s citizen-led Historic Preservation Group and elected officials have provided leadership for establishing historic districts, facilitating historic preservation technical assistance to residential and commercial building owners, and setting standards for the architectural compatibility of new developments. The importance placed on historic preservation has created an accessible and pedestrian friendly “small town” experience conducive to specialty retail and strong residential demographics. As a result of these efforts, initial private sector investment along the canal occurred prior to any major public improvements.

Village investments have focused on enhancing and expanding public spaces. The Port of Pittsford Park was developed in the late 1970s by the village and town in an area previously used for the loading of coal and other commodities. In close proximity to the park are historic commercial structures that were served by the canal, and are being preserved for redevelopment. The Old Towpath Trail was built in the 1980s and later incorporated as a part of the continuous recreational trail that will parallel the entire Erie Canal. More recent developments include new waterfront amenities and docking facilities to attract boater traffic, and other improvements outlined in a Local Waterfront Revitalization Plan accepted by the village in 2002.
to perform these functions is essential for long-term leverage and sustainability of the heritage development effort.

In other national heritage areas, similar commissions have developed strategic responses. Two examples are particularly relevant. The Illinois & Michigan Canal National Heritage Corridor, in Illinois, conducted the first regional Main Street program, working in three communities to build strong downtown revitalization programs in their historic downtowns. These staffed organizations coordinated volunteer task forces, provided technical assistance for business retention, helped organize special events, and encouraged historically sensitive rehabilitation. In Pennsylvania, the Delaware & Lehigh National Heritage Corridor leads a "Market Towns" program, providing circuit-riding assistance and coaching to a number of small communities engaged in place-based heritage development. It is supported by the Pennsylvania Downtown Center and receives state funding from two agencies.

One way national heritage areas contribute to quality of life and competitiveness is by creating a climate of creativity and cooperation, a major economic development asset. People making place-based investment decisions often seek out collaborative environments characterized by relationships that balance shared purpose and independence. However, partnerships cannot be forced; they only work when they arise out of a shared sense of purpose. A successful effort to gain the respect and support of the region’s existing organizations – the potential partner population – must recognize that collaborations that do not make sense for all partners should not be pursued, and that for the good of the system as a whole, any individual organization’s participation is not necessarily a prerequisite for its access to shared benefits.

LEVERAGING EXISTING PROGRAMS AND CREATING NEW FUNDING SOURCES

A recent Brookings Institution report on upstate New York’s economy noted that while the state has many programs that are useful to economic development, greater leverage could be attained through better coordination. The Erie Canalway National Heritage Corridor offers the opportunity to test more integrated approaches that might have wider application throughout the state.

The Commission can broker better leveraged place-based economic development initiatives. For example, the Commission supports efforts to coordinate projects funded by the Scenic Byways program of the New York State Department of Transportation, the Main Street program of the Division of Housing and Community Renewal, and interpretive grants from the New York State Council on the Arts or the state Office of Parks, Recreation and Historic Preservation. Further, the Commission can encourage state officials to review existing programs (economic and industrial development funds, Enterprise Zones, etc.) for their applicability to heritage development, heritage tourism, and heritage tourism serving businesses and remove any eligibility barriers.

Funding challenges associated with managing a large national heritage area are both practical and philosophical. Beyond the federal appropriation available to
the National Heritage Corridor, there are no obvious sources. Most appropriate existing funding sources available through foundations and state or federal agencies are already being tapped or targeted by potential partner organizations within the Corridor (or should be).

Identifying funding for programs and projects is important, but so is raising money to cover ongoing operating expenses, which is often more difficult to acquire. Earned income sources can create obligations that carry unanticipated expenses and staff demands that hamstring well-intentioned organizations. The national stature of the Erie Canal and the greater visibility that will come with its designation as a National Heritage Corridor could provide the opportunity to engage funding sources from beyond the Corridor. The Commission may explore the feasibility of creating funding vehicles to fill gaps in existing sources; for instance, a fund for the pre-development stage of important heritage development projects.

The Commission may also reach out and form or broker formation of partnerships to bring funding programs to the Corridor. An example is the New Markets Tax Credit Initiative of the National Trust for Historic Preservation’s Community Investment Corporation. This national program and a parallel Bank of America Historic Tax Credit Fund offer more than $175 million in the form of tax credit equity for investors in commercial projects located in qualifying low-income census tracts. The National Heritage Corridor could benefit from a regional heritage development initiative in New York similar to the Progress Fund, a $50 million pool of capital created by Westsylvania, Inc. in western Pennsylvania that provides loan funds for small heritage and heritage tourism businesses that would otherwise not qualify for state funding programs.

Heritage areas often find their every funding decision scrutinized for its implications for each aspect of the mission, particularly when the project is undertaken with partners. Heritage areas can also find it difficult to balance their desire to distribute funding widely — which in the case of the Erie Canalway National Heritage Corridor would lead to tiny allocations — with their desire to focus efforts on fewer projects, where their contribution makes a significant difference. Investing in programs such as technical assistance provided by Corridor staff is one way to spread Corridor values and standards, build cohesiveness, and demonstrate inclusiveness without having to limit funding to individual places, projects, or partners.

**IDENTIFYING STEWARDSHIP AND PROJECT PRIORITIZATION POLICIES**

The proposed economic revitalization role of the Commission is to be the holder of the vision for the National Heritage Corridor, builder of partnerships, and champion of heritage development. It will be the policy of the Commission to invest time, resources, and limited funds only in initiatives that afford significant leverage in terms of:

- catalyzing stronger projects that reinforce revitalization of historic town cores or add to the Corridor’s key heritage tourism experiences;
- enhancing local or partner capacity to undertake and manage place-based economic development initiatives;

---

**Schenectady**

Schenectady was designated a Preserve America community in 2005 for its commitment to historic preservation. Recent efforts demonstrate this city’s ability to plan for the future while preserving its heritage.

In 2005, the Capital District Transportation Committee, the Metropolitan Transportation Organization for the greater Albany region, approved $11.5 million of federal transportation funding to enhance Schenectady’s Erie Boulevard as part of a five-year transportation improvement plan.

A new bikeway called the Schenectady Towpath will run alongside the boulevard, formerly the site of the towpath-era Erie Canal. Design features in the boulevard’s newly created center median and along the towpath will evoke features of the original canal. The project is supported by the State Department of Transportation, the City of Schenectady, Schenectady County, and the Metroplex Authority, a local economic development authority.

The project is intended to facilitate the transformation of Schenectady’s central artery into the Erie-Edison Corridor, a vibrant technology corridor that will enhance Schenectady’s business development potential. The Erie-Edison project capitalizes on the region’s commitment to technology and its evolution into “Tech Valley” by providing shovel-ready space for state agencies and technology companies. Schenectady County and the Metroplex Authority are now working together to create additional economic development opportunities for Erie Boulevard.
• adding to the Corridor’s wealth of visitor-ready heritage tourism experiences and quality visitor services; and
• reusing heritage resources for activities that enrich the lives of residents, open economic opportunities for Corridor businesses, revitalize the Corridor’s agricultural economy, and bring new life to historic town centers.

The focus areas below take traditional economic development functions and approach them with a heritage sensibility, ensuring both consistency with the Corridor’s larger vision and avoidance of overlap with the existing organizations charged with community revitalization, economic development and tourism enhancement. The following “strategic clusters” lend themselves to what heritage areas do best – facilitate partnerships, transcend geographic and other barriers, and highlight what makes areas distinctive (see Chapter 9, Implementation, for specific Commission activities):

• Agricultural Preservation – taking action to protect landscapes, economies, and lifestyles that contribute to a region’s physical character and identity through farmland preservation and re-establishment of farmers’ markets for local produce and other products (refer to Chapter 3)

• Branding, Marketing and Promotion – reaffirming the Corridor as a vibrant place experiencing an economy in transition, worthy of the investment of both time and money (refer to Chapter 8)

• Communications Infrastructure Development – extending the legacy of the Erie Canal as a means of connecting communities, e.g., by delivering high speed wireless internet to Corridor communities

• Community Pride and Appearance Advancement – instilling a sensitivity and appreciation for how Corridor communities appear to others, from encouraging individual actions like clearing away refuse to community investments like re-landscaping downtown parks

• Economic Diversification – expanding how regional economies function by leveraging heritage and character to nurture nascent businesses and avoid over-reliance on specific sectors (e.g., tourism, manufacturing) or companies

• Education and Workforce Enhancement – examining how to help people create enterprises that serve a heritage perspective by teaching how to restore historic properties, providing hospitality training, etc.

• Historic Preservation – helping communities identify the projects that contribute to character, are located in high-traffic areas, or offer ways of expanding local commercial activities (retail, office and industrial), including adaptive reuse projects (refer to Chapter 3)

• Information Exchange and Coordination – becoming a clearinghouse for third party sources of pertinent information as well as helping organizations
Economic Revitalization

Ithaca

Ithaca’s Light In Winter Festival draws from the intellectual and artistic talents of Cornell University and Ithaca College. In January of each year, scientists, musicians, dancers, writers, engineers, and artists share their unusual collaborative creations with thousands of visitors in venues throughout the community, including the historic downtown State Theatre. Funding comes from Tompkins County, private donations, local colleges, and corporate sponsors.

The Cayuga Waterfront Trail, a two-mile loop trail through downtown Ithaca, connects attractions such as the Ithaca Farmers Market with recreation areas and historic sites. Scenic overlooks, interpretive signs and kiosks, and decorative paving create a place for residents and visitors to relax, exercise, and enjoy the waterfront. Funding is provided by local, state, and federal sources and the purchase of individual bricks by many citizens and businesses. Several small businesses have located along the trail, which is a featured attraction in local tourism materials.

Ithaca is one of several bases for the Cayuga Lake and Seneca Lake Wine Trails, which guide visitors and residents to the multitude of wineries that dot the hillsides overlooking the two largest Finger Lakes. Tasting events are scheduled throughout the year, and many wineries have paired with local restaurants to offer samplings of regional foods. Signage, promotion, and event coordination are funded by participating wineries and proceeds from special events. Strong attendance at Wine Trail events brings economic benefits to the entire region.

launch and manage projects that benefit from the involvement of other public, private, and not-for-profit enterprises

- Public Facilities and Services Planning – identifying opportunities for communities within the region to share equipment, employees, etc., and then brokering the relationships

- Public Lands and Open Space Preservation – working with the land trust community and others to make thoughtful contributions to shared landscapes and open spaces, including identifying lands with historical and scenic significance and vistas that cross municipal and other boundaries (refer to Chapters 3 and 4)

- Recreation and Cultural Facilities Projects and Programs – creating both physical connections between communities, such as trails and greenways, and cultural connections between communities, using programming and development techniques (refer to Chapter 5)

- Regional Governance and Cost-Sharing – helping localities approach regional matters collectively, including providing information and brokering agreements on decision-making, cost allocation and revenue sharing, by first identifying small, meaningful test cases to help develop a system with a track record

- Repopulation – helping communities revive by recruiting entrepreneurs, returning residents, and others through both outreach and such practical help as coordinating relocation assistance, affordable housing assistance, etc.

- Small Enterprise Business Financing and Technical Assistance – identifying and nurturing entrepreneurs interested in launching firms engaged in activities that support the Corridor vision, e.g., providing services to tourists, locating a software enterprise in an historic mill, etc.

- Tourism Management – organizing and managing visitor experiences and expectations (refer to Chapter 8)

- Transportation Development and Improvements – knitting communities together and playing an ombudsman role as they negotiate with the New York State Department of Transportation, the Thruway Authority, and local government for sensitive solutions to congestion, parking, rail transit, and alternative modes of transportation and access

- Visitor Experience Product Development – providing the tools – region-wide interpretive frameworks, signage vocabularies, and technical assistance in fund-raising and coordinating festivals – that enable the region’s stewards of historical, natural, recreational, and other experiences to provide coherent visitor experiences and increase their ability to improve and update their offerings (refer to Chapters 6 and 8)