

BUZZ

A Dispatch from Innovative Cities

Nathan Rothstein | Jun 21st, 2010 | Topics: [Economy](#) | Region: [East Coast](#) | Cities: Boston | 0



Lowell, Mass. Credit: [pwbaker via flickr](#)

In 1810, Francis Cabot Lowell, a Massachusetts engineer, traveled across the Atlantic to study the English textile industry. Three years later, he returned to the states, and spent the next few months attempting to replicate and fine-tune the English designs. With a working model, Lowell needed investment to scale his project. Without the personal wealth to bootstrap, he tapped into his network. Lowell sold shares of his business concept, with the promise that investors would see a steep return on their investment. He was right. Not only did his mills spark an industrial revolution within the United States, but also his financing methods laid the foundation for the modern corporate finance structure. By the 1840s, the city named after the inventor of their most prized asset, Lowell, was the second largest city in America.

It is then only fitting the conference, titled, "[Innovative Cities: Best Practices in Urban Development](#)," is being hosted by the city of Lowell, MA. But in this century, they are not being recognized for creating a new technology, but rather for the city's ability to transform their vacant mills, and spark successful public/private partnership that returned the downtown to the prominence of the 19th century.

Thirty years ago, urban enthusiasts would have laughed at the mere mention of Lowell and best practices in the same sentence. A majority of the mills had closed, businesses were boarded up, and the middle class fled the city to settle in the surrounding Boston metropolitan suburbs. The city built on invention had failed to adapt to the modern economy.

This was my impression of Lowell when I drove north from Boston on the 128 corridor; built to satisfy the workers in the knowledge-based industries, which ultimately took the place of Lowell's contribution to the Massachusetts economy. What I did not know; was the tremendous work by the city of Lowell to revive its downtown.

To open the conference, attendees were invited to a walking tour led by Adam Baacke, the Director of Planning and Development for the city of Lowell and Peter Aucella, the Assistant Superintendent at Lowell National Park. Our tour guides stressed the symbiotic relationship that must take place to market the downtown as a viable place, while at the same time cultivating retail. Over the past ten years, the city has converted two and half million square feet of vacant land into occupied commercial and housing units. The success of their work was in large part due to the business community's commitment to its downtown, the academic institutions buy-in, and a well-developed (Lowell) plan to guide the redevelopment.

During the mid- 1980s, 90% of the downtown housing stock was affordable. Twenty-five years later, 1600 market rate units were built downtown, without replacing any of the affordable units. The demand for the new housing stock came from

innovative financing tools that would have made the city's founder proud. The Downtown Venture Fund created by a partnership between local banks and the city; pooled money together to create a fund to support high-risk start-ups willing to locate to the designated downtown area. Since the fund's creation in 2000, two-thirds of all the businesses are still open, much higher than the national average for small business success.

For decades, Lowell was plagued by businesses following their need to satisfy the bottom line, to the south and overseas, and leaving large commercial units vacant, without any consideration for the hole it left the city. A few years ago, a German-based textile mill decided to close their operations, but promised to cover a million dollars worth of environmental clean-up costs, and sell the land back to the city for a discounted price. The city's planning department took that promise to their network of developers, and offered their own bargain. They sold the land at the assessed value, minus the environmental clean-up cost, knowing the German company would cover the first million. Next, they used a combination of state and federal historic preservation tax credits, new market tax credits, and state funding to sweeten the deal. The direct result of the city's ingenious planning was evident. During our last stop on the tour, the last major blemish in the downtown landscape, the mill abandoned by the German multi-national company, was receiving capital improvements.

The tour also made clear that Lowell had a talented group of planners, but Baacke admitted, "It does not hurt that the head of the state Ways and Means Committee is our state senator." Politics aside, Lowell is rightfully being recognized for their innovative practices, and during this weekend's conference, urban enthusiasts from around the world are using Lowell as the model for transforming their own city.

Nathan Rothstein is a member of the 2009 Next American Vanguard. Mr. Rothstein was named to Gambit Weekly's "40 under 40" list in 2007 and has spoken at Yale, MIT, UMass-Amherst, Spring Hill College, Loyola New Orleans, Howard University and University of Michigan. You can read more of his work at <http://trueslant.com/nathanrothstein/>.

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