



What is a Business Improvement District?

A Business Improvement District can help revitalize downtown areas by assisting existing businesses, encouraging new businesses, and making the area a more attractive and desirable place to visit and shop.

Commercial centers dealing with vacant storefronts, reduced foot traffic, security concerns, and/or noticeable infrastructure needs can benefit from a Business Improvement District. Business Improvement Districts (BID) are special assessment districts that generate funds solely for the benefit of the district area. The special assessment, or common area fee, is levied on property within the district. The assessments are collected by the municipality, but the funds can be used only for the Business Improvement District.

Examples of projects funded through a BID include wayfinding signage, marketing materials, security enhancements and special event organization, among many others. Projects funded through the BID must go above and beyond the baseline of services provided by the municipal government. For instance, the BID may choose to contract a private company to clean the sidewalks daily. This would be above and beyond what is provided by the municipal department of public works.

The property owners in the BID vote to initiate the creation of the BID and manage how BID funds should be used. A district improvement plan is prepared to guide the priorities of the district.

Considerations

Despite the benefits, there is sometimes resistance to establishment of a Business Improvement District due to the costs involved for property owners within the established boundaries. Thorough outreach should be conducted to educate those impacted prior to attempting to formalize a BID through the host municipality.

Benefits of BIDs

A Business Improvement District provides a mechanism for property owners to pool resources, coordinating improvements to create a vibrant downtown with a shared identity and common purpose. Deciding what will be most effective for downtown revitalization through the BID is a local decision-making process, by the property owners themselves. This allows for creative planning, investment, and quick actions that attract visitors, customers, clients, and, ultimately, more businesses. Unlike grants, seed money or other temporary funding, BIDs offer a stable, ongoing funding stream to accomplish projects.

GUIDANCE

The MA Downtown Initiative (MDI) of the Department of Housing and Community Development has prepared a [guidebook on the establishment of BIDs](#) and can answer questions related to the process.

BRPC PROGRAM

Economic Development Program
berkshireplanning.org/programs

Business Improvement Districts in Practice

Business Improvement Districts can be found throughout the country in cities such as Denver, Los Angeles, New York City and Philadelphia. In Massachusetts, Business Improvement Districts have been established in both cities and towns. Amherst created their Business Improvement District in 2014. Hudson, a town in central Massachusetts, also has a BID. While smaller than other BIDs in the state, the Hudson BID has made a significant impact on the economic vitality of the downtown. Other BIDs in Massachusetts can be found in Barnstable, Boston, Cambridge, Springfield, Taunton and Worcester. While there are currently no Business Improvement Districts in Berkshire County, this tool could have a substantial impact on downtown revitalization efforts.

Business Improvement District websites in Massachusetts

Amherst www.amherstdowntown.com/about-us
Barnstable www.hyannismainstreet.com/
Boston www.downtownboston.org/about-downtown-boston-bid/
Cambridge www.centalsq.org/about
Hudson www.discoverhudson.org/
Springfield springfielddowntown.com/
Taunton www.downtowntaunton.org/
Worcester www.worcesterbid.com/

Examples of materials collected from established BIDs in Massachusetts may be obtained from BRPC staff.

Establishing a Business Improvement District

Municipalities establish Business Improvement Districts under Massachusetts General Law Chapter 40O. The law provides criteria that the district must meet.

The proposed area must be a contiguous district. 75% of the land must be zoned or used for commercial, retail, industrial or mixed uses. A petition is required whereby 60% of the owners of real property and at least 51% of the assessed valuation of the real property within the proposed BID state their interest in the creation of the BID. The petition must include delineation of the BID boundaries, a proposed improvement plan, budget, and assessment/fee structure.

Following a public hearing, the BID is approved by the local legislative body of the municipality. Once formed, BIDs must be reauthorized every five years by the property owners.

Typical Projects and Services:

- Promotional Materials & Marketing
- Privately Contracted Security
- Visitor Centers and Hospitality
- Wayfinding
- Infrastructure Improvements
- Litter Removal
- Graffiti Removal
- Regular Sidewalk Cleaning and Sweeping
- Street Cleaning
- Tourist Guides
- Snow Removal from Sidewalks
- Organization of Special Events
- Streetscape Improvements
- Parking Garage Management
- Sign & Façade Programs
- Maintaining Transit Shelters
- Place-making
- District Management
- Business Services
- Capital Improvements