



**Town of Reading**  
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**To:** Bob LeLacheur, Town Manager  
**From:** Erin Schaeffer, Economic Development Director and Julie Mercier, Community Development Director  
**Cc:** Jean Delios, Assistant Town Manager  
**Date:** September 15, 2020  
**Re:** Business Improvement District Initiative

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For more than a decade, Economic Development planning efforts have been underway. Reports and studies include a 2007 Market Assessment & Business District Composition Analysis; 2014 Economic Development Self-Assessment Tool Report; 2017 Peer-Communities Study and an Economic Development Action Plan (2015-2020). The establishment of a BID aligns with recommendations made in these plans to ‘explore the possibility of creating/identifying an entity to focus on downtown revitalization’ and ‘establish a new economic development partnership’.

Over the last year, with funding from DHCD’s Massachusetts Downtown Initiative grant program and MDI consultant assistance from Ann Burke, the Town of Reading convened a significant public engagement process – ‘ReImagine Reading’- to engage, foster partnerships, leverage capacity and identify community priorities in preparation of the establishment of a business improvement district. Engagement included the creation of a working group; hosting a successful community-wide ice cream and pizza social to highlight what place-making can look like; individual conversations with business and property owners; press releases, social media posts, flyers, postcards, a community survey and other forms of communication to brand and market the initiative. Over 100 participants attended the event, 35 individuals and organizations joined the working group; and over 1,500 individuals responded to the community-wide survey.

Based on survey data and public feedback, public priorities that rise to the top include: 1) strengthening and supporting existing initiatives by funding and leading creative place-making initiatives that reach a broad audience, create buzz, and attract more anchor businesses that will provide unique customer experiences, 2) marketing and branding the Town by providing a simple and centralized platform and online marketing tools to help connect businesses to properties and customers to businesses, 3) attracting and retaining businesses by providing technical assistance, educational programming, and financing programs for small business assistance, and 4) advocating for public/private partnerships and infrastructure improvements to support connectivity and access within and between commercial areas.

Through this process, it was recommended by the working group and technical consultant, that a Business Improvement District (BID) organization model was the best fit for our community needs. BID is a legally established, contiguous geographic area within which property owners initiate, manage, and finance *supplemental* services for the benefit of everyone who lives, works or visits the district.

Now, this initiative is ready to move into the action phase with the goal of creating a community organization and partnership. As part of the Town's efforts to support this work, Town staff continue to provide technical assistance, support and grant funding. The Town is pleased to continue to support this great work through a second round of grant funding supported by DHCD's Massachusetts Downtown Initiative. Town is also actively seeking additional funding from the MassDevelopment Real Estate Services Technical Assistance Program.

Over the next several months, Town staff will be reaching out to stakeholders to provide further grant supported technical assistance to support the creation of a BID and associated non-profit organization. This includes providing technical assistance for all of the following key milestones and components including the:

- Development of a steering committee of property owners, business owners, and residents

The committee is responsible for:

- Finalizing boundaries of BID
- Establishing a budget and fee structure
- Develop marketing and education campaign content with program area to demonstrate program areas anticipated budget and fee structure
- Development of petition components including a business plan
- Submission of petition for signature campaign
- Signature campaign to support the creation of a BID
- Development of draft bylaws, articles of organization, committee structure, not for profit status (501 c3)

Other components to be considered jointly with Town and BID include:

- After the BID petition is filed with Town, public hearing preparation and hearing
- Development of MOU with Town
- Select Board to consider and vote to establish the BID and approve MOU

For more details about Business Improvement Districts see the FAQ below.

# BUSINESS IMPROVEMENT DISTRICT FAQ

## What is a Business Improvement District?

A Business Improvement District, or BID, is a legally established, contiguous geographic area within which property owners initiate, manage, and finance supplemental services for the benefit of everyone who lives, works or visits the district. Over 2,000 BIDS exist throughout North America and the world.

## Why a BID for Reading?

The Town of Reading is experiencing a sense of renaissance fueled by the emergence of more than a decade of economic growth and opportunity particularly downtown. Further, in light of COVID-19, now more than ever, partnerships are a necessary tool for economic resilience and recovery. To capitalize on recent growth, and an ongoing identified community need for partnership, stakeholders are interested in working together to reinforce positive trends by investing in strategic programs and services like creative placemaking, marketing and branding, business support and development, and advocating for transportation/infrastructure improvements that will leverage and sustain an already welcoming, and economically healthy community. A Reading BID would enable district stakeholders to decide which supplemental services and programs to provide and to make it happen to benefit the district and greater Reading community.

## Are there other BIDS in Massachusetts?

There are currently BIDS in MA with budgets of between \$200,000 to \$8 million offering programs that range from security and maintenance, marketing and events, business development, and *many* other initiatives. Examples include: Amherst, Hudson, Hyannis. Almost every major MA city has one or many BIDS: Central Square, Downtown Crossing, Springfield among many others.

## We pay taxes- why should we pay more for services? Isn't that a municipal responsibility?

This is the most common question and arises from the concern that private property owners need to provide services that some feel should be undertaken by the municipality. The simple answer is that BIDS provide supplemental services over and above those commonly offered by the municipality. The BID fee is an investment in a property that will yield returns in the form of increased property values, improved tenancy, and revenue to the municipality through increased business activity. Most BIDS can demonstrate a solid return on investment over the long haul. By investing in the BID, property owners and municipalities actually leverage the municipal resources available for programs offered within the district. BIDS encourage property owners to invest in their properties for the long run and the ultimate value they add to the district.

## **Who actually controls the BID?**

The BID is controlled and financed by the property owners in the district. A Board of Directors representing the property owners oversees the execution and management of the BID Business Plan. The Board of Directors makes personnel, program and budget decisions within the scope of the plan approved by the BID members.

## **What are the proposed boundaries for the BID and how are they established?**

BID boundaries are established at the discretion of property owners in the district. Boundaries are not limited to zoning constraints or traditional definitions of downtowns or neighborhoods. Geographic or physical barriers that create a natural boundary often create a natural ending point to the district. District boundaries can also be determined by land use, owner interest, or other commonly agreed upon criteria. Ultimately BID boundaries are established by a consensus of property owners in the proposed district.

## **How much does it cost?**

Property owners within the BID determine the budget and priority supplemental programs and services it will provide in the district. Property owners in the district will determine a fee structure that is fair and equitable to all members of the BID. Each BID has its own unique fee structure that is appropriate for their municipality and is developed as part of the planning process of forming a BID.

## **How is the BID managed?**

The BID is managed and financed by the property owners in the district. A Board of Directors representing property owners, businesses, residents, town and other key stakeholders make all personnel, program and budget decisions. The BID will hire a professional manager to implement and manage the BID plan. BIDS run lean to maximize and leverage resources.

## **Why should a property owner be mandated to participate?**

The underlying purpose of a BID is to distribute both the burden and the benefits equitably. For example, for some services like marketing or snow removal, skipping properties who do not want to participate negatively impacts the effectiveness of the service and its impact on the district.

## **How does the Town or nonprofits participate in the BID?**

The municipality participates by provided both financial support and in-kind services. Most BIDS have a Memorandum of Understanding with the municipality that spells out the relationship with the BID, the baseline services provided by the municipality and a “baseline plus” agreement that outlines how the municipality will participate in the BID as property owner member of the district.

## **How is a BID different from a Chamber or other business association?**

The BID is a legal mechanism for property owners to collectively purchase supplemental programs and services in a specific geographic area, establishing a dedicated revenue stream to execute the business plan approved by the property owners in the BID. A Chamber typically provides membership services that are geographically dispersed, sometimes over multiple communities.

## **Why consider a BID in any community?**

Successful downtowns and commercial areas are an actively managed hub of a variety of activities that contribute to its health and economic vitality. Residents, visitors, customers, employees, and business owners comprise the Reading community and contribute to its success. When property owners partner with the municipality to leverage a district through a well-managed and sustained effort, the district becomes an economic driver for the overall community.

## **Once we form a BID, is it forever?**

Once a BID is established, all property owners, participate in the BID. Every five years, property owners vote to continue the BID or not. If a majority of the property owners vote to dissolve the BID, it will be disbanded. A BID can be dissolved at any time by a vote of 51% or the real property owners OR the owners of 51% of the assessed valuation within the district.

## **What are the benefits of a BID?**

A BID creates a way for property owners to pool their resources to sustainably fund and coordinate improvements and supplemental services to provide added value, generate more business activity, and enhance the district for everyone.

## **Do they work?**

BIDS have now been in existence for over 50 years. They are so fully integrated into many municipalities and polities, and legislation are rarely modified. The International Downtown Association ([www.ida-downtown.org](http://www.ida-downtown.org)) documents a proven track record of success that can be demonstrated through increased values, improved tenancy, and an enhanced “sense of community” in BIDS across the country.