

The background of the entire page is a monochromatic blue isometric illustration of a city. It features a variety of buildings, including tall skyscrapers, smaller commercial buildings, and industrial structures with smokestacks. There are also trees, a traffic light, and several vehicles like cars and trucks scattered throughout the scene, creating a dense urban environment.

District Management

RAPID RECOVERY PROGRAM TOOLKIT

This toolkit has been made possible through technical assistance provided by the Baker-Polito Administration's Local Rapid Recovery Planning program.



The Local Rapid Recovery Planning (RRP) program is a key part of the Baker-Polito Administration's Partnerships for Recovery Plan, the strategy established to help communities stabilize and grow the Massachusetts economy as a result of the economic impacts brought on by COVID-19. The plan invests \$774 million in efforts to get people back to work, support small businesses, foster innovation, revitalize downtowns, and keep people in stable housing.

In addition to the planning program, recovery efforts include a Small Business Relief Program administered by the Massachusetts Growth Capital Corporation. This program, which concluded in May 2021, provided more than \$687.2 million to over 15,000 businesses across the Commonwealth, with a focus on businesses located in Gateway Cities, among demographic priorities, or operating in sectors most impacted by the pandemic. Cities, towns, and non-profit entities are using Regional Pilot Project Grant Program funding for recovery solutions that seek to activate vacant storefronts, support regional supply chain resiliency, and create small business support networks. To promote recovery in the tourism industry and support the ongoing My Local MA marketing initiative encouraging residents to support their local economies by shopping, dining and staying local, another \$1.6 million in grants were awarded through the new Travel and Tourism Recovery Grant Pilot Program. Through April 2021, MassDOT's Shared Streets and Spaces Grant Program has invested \$26.4 million in municipal Shared Streets projects to support public health, safe mobility, and renewed commerce.

In support of the overall recovery strategy, the Administration made \$9.5 million in awards for 125 communities to create Local Rapid Recovery Plans, through the MA Downtown Initiative Program. These plans address the impacts of COVID-19 on local downtowns and small businesses by partnering with Plan Facilitators and Subject Matter Experts to pursue locally-driven, actionable strategies.

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District Management Models

The specific district management model selected for your downtown is determined by organizers in your community. There is no one answer to which model is best, and organizers should explore which model has the best opportunity for success in the community based on a variety of factors including private and political support, stakeholder funders and program priorities. The chart below briefly describes the two different models for consideration. Additionally, there are other types of organizations and district designations that can be important partners or collaborators, or funding sources for a district management entity. These other types of districts, however, are not district management organizations in and of themselves, but can play an important role in forming the appropriate organization for your downtown.

District Management Organizational Models

MANAGEMENT ENTITY	DISTRICT DELINEATION	REVENUE SOURCES
BUSINESS IMPROVEMENT DISTRICT (BID)	Legally authorized contiguous area within which property owners pay to develop, fund and execute supplemental services to benefit economic and social vitality of district	Self-sustaining through fees; reauthorized every 5 years Grants and fundraising
VOLUNTARY DISTRICT MANAGEMENT ORGANIZATION	Dedicated district offering a volunteer program model addressing design, organization, promotion and economic vitality	Not self-sustaining; state grants, municipal contributions and fundraising

Business Improvement Districts (BIDs) are a legally designated area, within which property owners design, fund and manage an improvement plan for the district. They are funded primarily by fees assessed to property owners. There is a legislative process to form a BID that requires the support by over 60% of property owners and a vote by the elected body in the municipality. Once formed, participation by property owners is mandatory. BIDs are reauthorized every five years by the property owners within the district.

Resource: <https://www.mass.gov/doc/2020-revised-business-improvement-district-manual/download>
Examples: Downtown Boston, Amherst, Springfield, Hyannis, Worcester, Hudson, Newmarket, Central Square, and Boston Greenway

Voluntary Management Districts Voluntary District Management entities engage stakeholders in a designated area, generally utilizing a program that includes organization, promotion, design and economic restructuring. Participation is voluntary and funding is through donations, grants and other stakeholder support. Many voluntary district management organizations model themselves after the preservation-based economic development Main Street program model.

Resource: <https://www.mainstreet.org>
Examples: Beverly, Salem and Framingham

Other District Models - Program Partners, Funders and Allies

ORGANIZATIONAL MODEL	DISTRICT DELINEATION	FUNDING SOURCE	FUNDING RESOURCE FOR DISTRICT MANAGEMENT ORGANIZATION	PROGRAM PARTNER / ALLY
CDC	Geographic district focused on engaging residents and businesses to undertake sustainable community development efforts in rural, urban and suburban area. Geared to benefit low/moderate residents	Not self sustaining, grants, foundations and space donations	Y	Y
Parking Benefit Districts	Geographic district in which parking revenues are dedicated to related improvements Can be a stand-alone or part of existing downtown organization	Self sustaining through parking revenue fees	Y	Y
Business Association/ Chamber	Membership based organization to support businesses in city/town	Membership dues, event revenue	Y	Y
Local Historic District	Geographic district focused on historic preservation	Not self sustaining, state matching grants, memberships, donations	N	Y
Cultural District	Geographic district focused on arts and culture	Not self sustaining, grants, memberships, donations, events	N	Y
District Improvement Financing / (DIF)	Geographic district based on new private investment	Incremental tax revenue from future development earmarked for district improvements	Y	Y
Tourism Hospitality Districts	Geographic district funded by hospitality businesses/hotels to fund marketing and related activities	Assessment on hospitality businesses collected by state	Y	Y
Transformative Development Initiative Districts (TDI)	Geographic district (2 years) targeting community based economic development in primarily gateway cities	MassDevelopment designation featuring fellows, targeted investment and technical assistance	Y	Y

Community Development Corporations Community Development Corporations are typically formed in districts looking to engage residents and businesses to address community development objectives in their communities, specifically to meet the needs of low- and moderate-income residents. They are funded through voluntary contributions and can be eligible for other types of public grants and programs.

Resources: <https://www.macdc.org>

Examples: New Bedford

Parking Benefit Districts (PBD) Parking Benefit Districts are geographically defined districts, within which some or all parking revenue can be reinvested to support district services such as transportation related projects like pedestrian walkways, streetscape and lighting improvements, trees and other improvements to the public realm in addition to parking investments such as meters, signage and marketing. A parking benefit district could be managed by a district management organization and be a source of funding for supplemental programs and services.

Resources: https://www.mapc.org/wp-content/uploads/2017/10/Parking-Benefits-Districts_one-pager.pdf

Examples: Arlington, Rockport

Chambers of Commerce/Business Associations Chambers of Commerce/Business Associations are membership organizations that advance the business interests of their members. They may undertake activities such as supporting small businesses, lobbying, networking and advocacy for business interests in a community. Downtown business associations can be active partners with downtown district management organizations and a conduit to businesses in the downtown.

District Improvement Financing Districts A District Improvement Financing (DIF) allows a town or city to establish funding stream for economic development activities based on new economic development within a district. A DIF is a locally enacted tool that enables a municipality to identify and capture incremental tax revenues from new private investment in a specific geographic area and direct them toward public improvement and economic development projects. It is possible for a DIF to generate resources that could be allocated to district management related projects that support economic development.

Resources: https://www.massdevelopment.com/assets/what-we-offer/DIF/V8_5.29.19_-_DIF_Guide_-_MassDevelopment_DIF.pdf

Example: Assembly Square Somerville, Brockton

Local Historic Districts Local Historic Districts are a geographic destination approved by 2/3rd majority vote of town meeting or city council. Local districts are effective in saving historic structures, villages, and neighborhoods from alterations or demolition. Historic Districts can be important strategic partners if historic preservation is a priority in your community's management district to preserve its architectural heritage.

Resources: <https://www.preservationmass.org/understandinglocalhistoricdistricts>

Example: Granby Local Historic District, Granby

Cultural Districts Cultural Districts are a geographic designation of a community with a high concentration of cultural facilities and creative businesses that serve as a destination driver for the district. Cultural districts can focus energy and attention on arts and culture to create a sense of place and create an economic driver for the district. For many downtowns embracing arts and culture as an important strategy for the downtowns, cultural districts can be important partners.

Resources: <https://massculturalcouncil.org/communities/cultural-districts/designated-cultural-districts>
Examples: Amherst Center Cultural District

Tourism Destination Marketing Districts - Tourism Destination Marketing Districts are a geographic designation within which hotels or motels collect of special assessment of up to 2% from occupants. The proceeds are pooled into a fund managed by an entity named by the Tourism District. The State collects and distributes these funds to the management district on a quarterly basis. The funds are used to provide supplemental services and programs to benefit the local tourism economy within the district.

Resources: <https://www.mass.gov/info-details/tourism-destination-marketing-district-tdmd-fund-faqs>
Example: Boston/Cambridge – Greater Boston Convention and Visitors Bureau

Transformative Development Initiative (TDI) Districts – TDIs are MassDevelopment initiatives in a specific geographic designation primarily focused on eligible Gateway Cities and census tracts. The initiative is a public private partnership to engage the community in developing plans and local economic development public/private initiatives with the goal of increasing investment and economic development in targeted districts.

Resources: <https://www.massdevelopment.com/what-we-offer/key-initiatives/tdi/>
Examples: Springfield, Lynn

Why This Toolkit?

The Importance of Creating a District Management Organization In Your Downtown

Communities of all sizes want their downtowns to be vibrant destinations with a strong mix of business, retail, entertainment, dining, educational, recreational, cultural and residential activity. Smart communities develop and implement strategic activities and adopt district management organizations to help them achieve these goals. When property owners, tenants and other downtown stakeholders partner with their municipality to leverage the downtown through a well-managed and sustained effort, the downtown becomes an economic driver for the overall community.

The Local Rapid Recovery Plans developed as a response to the COVID-19 pandemic identified a variety of actionable projects aimed at helping downtowns recover from the impacts of the pandemic. Critical to the implementation of these plans is the presence of a backbone organization that will provide the leadership and stewardship for implementation. District management entities are critical components to success. District management organization staff and boards are focused on your downtown and take the lead in assembling the resources and collaborative partnerships required to achieve a healthy vibrant downtown.

There are essentially two different types of district management models for communities to consider. Each community must decide which model is the best fit, taking into consideration various factors, such as political support, property owner involvement, other stakeholder participation and desired programmatic activity. The fundamental components for any organization are the development of a shared vision, program of work, sustainable resources to fund the activities, and ongoing professional management.

While each type of organization has differences, there are common elements that apply to any management district. These are:

- Defined boundaries
- Strategic plan
- Supplemental services and programs
- Dedicated staff/volunteers
- Managed by stakeholders
- Strong relationship with city/town
- Advocacy and voice for district



District Management Services

Each community will decide what priority services and programs will be undertaken by their district management organizations. This flexibility enables communities to customize their programs to address the greatest needs and opportunities for their downtowns. The ability to be nimble and creative is an attractive consideration for many stakeholders engaged in forming a downtown district management organization. Typical services may include:

- Marketing and promotions
- Retail
- Business/housing development
- Beautification/maintenance
- Transportation/parking
- Arts and cultural programming
- Place-making
- Advocacy/communications
- Safety/hospitality



The Importance Of Public Sector Support

Ideally, forming a district management organization has the support and cooperation from the municipality to act as true partner. From the outset, it is important to establish that the municipality is onboard with the concept and will participant in the downtown district management organization. This relationship will be important to identify common priorities, leverage public resources and access to funding sources available through the municipality to support the supplemental programs and services offered by a district management organization.

Support from the municipality can come in a variety of ways including:

- **Funding** – Direct funding to district management organization in the form of grants or contracts for services.
- **Grants for Public Realm projects** – Municipal leadership in securing money available for public realm projects that are part of the District Improvement Plan.
- **Advocacy** – Public sector advocacy for district initiatives.
- **Coordination** – Ensure coordination with city/town departments.
- **Participation** – Serve as an active participant on board and committees.

While it is possible to form a district management organization without the support of the municipality, it is more challenging. Downtown district management entities will not always be in agreement with the municipality on every issue, but establishing the partner relationship from the outset is important.

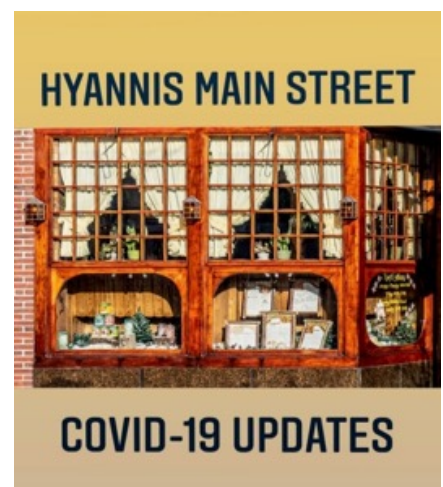
Responding To Crisis – Downtown District Management Organizations and COVID

Downtowns with active district management organizations proved to be instrumental in helping their downtowns, small businesses, and arts and cultural organizations weather the impact of the pandemic. The following are some examples of how district management organizations pivoted to respond to the immediate needs of the pandemic:

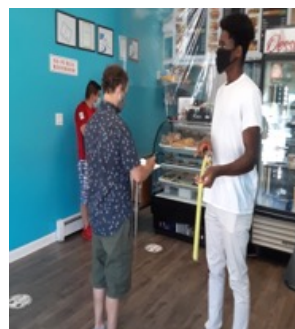
- Marketing and welcome back campaign - Cambridge Central Square BID
- Grants for small businesses - Amherst BID Foundation/ Amherst BID
- Small business Pop Up retail - Cambridge Central Square BID
- Small business technical assistance - Somerville Main Street
- Grant/loan technical assistance - Hudson BID
- COVID resources communications
- Assisting people in need - Newmarket Business Association/ BID
- Outdoor community and cultural events - Hyannis and Central Square BIDs



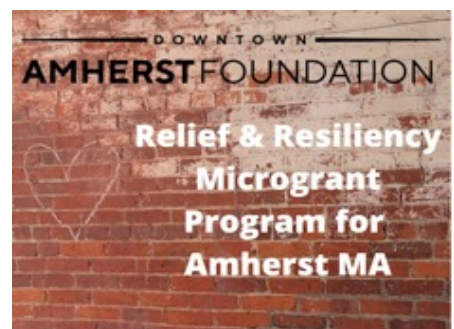
COVID communications



Moving community and cultural events outside in Central Square



Somerville Main St TA to small business



Amherst BID Foundation grant program for small business

Getting Started

Getting Started

How To Use This Toolkit

Forming a management district requires a high level of consensus building, political cooperation, community stakeholder, business and property owner support to be successful. Sometimes this process is time consuming, but the up-front planning and engagement effort will prove worthwhile in building support and financial resources. Think about this toolkit as a practical framework to developing a district management organization in your community. While its tempting to skip tasks, the following key action steps will help ensure success in your efforts to build consensus on a common mission, identify priorities, select an organizational model for district management, and ensure sustainability.

This Toolkit can be used by communities to:

- Determine the feasibility of creating a management district.
- Conduct community education and outreach.
- Create a strong district plan and sustainable budget.
- Determine funding sources and partnerships.
- Establish the organizational infrastructure for selected model.
- Determine the municipality's role in either BID and volunteer based organizations.



Central Square Popportunity



Springfield BID beautification program

Diagram: Toolkit Checklist

Action

- ☐ We want to determine the best district management organizational structure for our downtown.
- ☐ We want to test the feasibility before we invest too much political, personal and financial resources into the process.
- ☐ We want to communicate the value proposition.
- ☐ We want to build a strong organizing/steering committee.
- ☐ We want to create a new organization where none exists.
- ☐ We want to grow from an existing business association, or voluntary organization into a more sustainable model.
- ☐ We want an inclusive community engagement process to produce an actionable plan and sustainable budget.
- ☐ We want to legally establish the organizational structure and governance – voluntary or legislative approval.
- ☐ We want to collaborate with other districts or organizations.
- ☐ We want to determine the municipal role in our district management organization.
- ☐ We want to measure progress.

Getting It Done

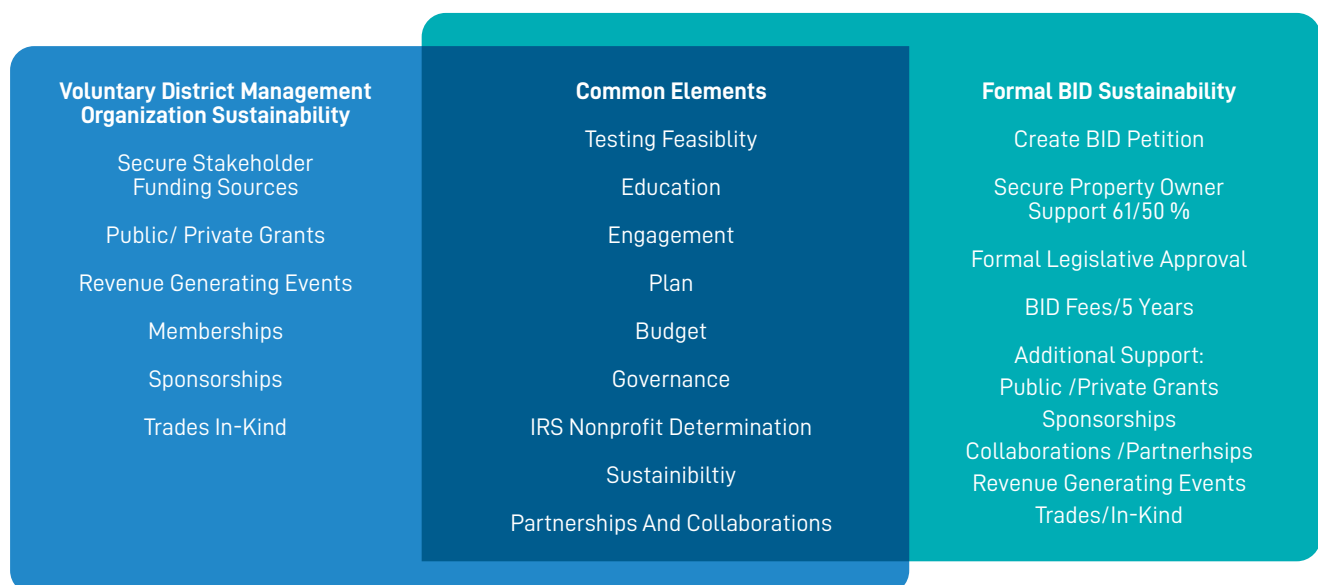
Getting It Done

How to Form a District Management Organization

The Basics

Forming a voluntary district management organization or a more formal Business Improvement District requires many of the same common steps. These basic steps include testing the feasibility, building stakeholder support and communicating the value proposition, community engagement to identify priority programs and services, developing a district plan, budget, and governance structure.

The approach to financial sustainability is the most significant difference between the two district management organizational models that you will need to consider in selecting which organizational model is the best fit for your community. A BID may require more up-front effort to demonstrate property owner support and secure legislative approval, but will result in a sustainable revenue stream from a BID fee. Property owners within the district reauthorize the BID every 5 years. The BID fee may also be supplemented by additional revenue sources such as grants, sponsorships, events etc. A voluntary based organization may be quicker and easier to form at the outset, but organizers



This chart illustrates the common steps to form a district management organization and individual requirements for each type of organizational model.

must identify a financial strategy for sustainability. This may involve multiple year commitments from stakeholder funders such as municipality, banks, foundations, businesses, educational institutions and others to make sure that your organization and programs have a path toward sustainability.

What's your starting point?

Starting From Scratch

Communities will launch into the process of forming a district management organization from various starting points. Some communities are starting from scratch and will need to begin to build support for district management from the ground up. If that is the situation in your community, the launching place for forming a district management organization may come from:

- A master planning process such as the Local Rapid Recovery Plan (LRRP) recommendation or other downtown plan
- A downtown issue or opportunity that needs to be addressed
- A major investment opportunity
- Community partner consensus to pursue the concept

Business Associations Transitioning To A District Management Organization

Sometimes Business or Retail Associations desire to transition to a district management organization. Member based business associations can form a strong nucleus of support for a district management organization. Frequently there is staff and a volunteer base that can help in the process. Additionally, these organizations will be knowledgeable about stakeholders, issues and business priorities.



QUESTIONS TO ASK

- Who are the stakeholders who need to be involved?
- How can the municipality help?
- What resources do we need to start up?
- Who will lead the effort?
- What do we want to do as a district management organization?
- What organizational model is best for our community?
- Who are other logical partners, funding sources or districts?
- Is there an alliance of organizations who could coalesce around the district management concept for our downtown?



QUESTIONS TO ASK

- Who else needs to be included in this process?
- What can the municipality do to help?
- How do we build out a strong steering committee?
- What is our district plan and budget?
- What resources and staff can we commit to the process?
- What organizational model is best for our community?
- What are other logical partners, funders or districts?

Voluntary District Management Organization Transitioning To A Business Improvement District

Sometimes existing voluntary district management organizations decide to transition to a more formal Business Improvement District model. This often happens when an organization decides that a BID offers the opportunity for a more sustainable funding stream that can be supplemented by other revenues streams.



QUESTIONS TO ASK

- What other stakeholders need to be part of this process?
- Is there property owner support for the concept?
- What can the municipality do to help?
- How do we build out a strong steering committee?
- What is our district plan and budget?
- What resources and staff can we commit to the process?
- What are other logical partners, funders or districts?

The Process

Forming a District Management Organization

- 1 Step 1 Feasibility**
Property Mix - Political Support - Stakeholder Support - Economic Base - Steering Committee - Startup \$ - Boundaries - Database
- 2 Step 2 Create District Plan**
Needs Assessment - Community Outreach - Plan Elements - Budget - Funding Sources/Fee Formula - MOU
- 3 Step 3 Formalize Organizational Structure**
Voluntary or BID - Organizing Committee - \$ - Legislative Approval Process - Petition (BID) - Articles of Organization - Bylaws - BOD - IRS Filings
- 4 Step 4 Initiate Operations**
Communication - Hire Staff - Vendors - Launch
- 5 Step 5 Measure Progress**
Metrics - CRM - Location Analytics

Step 1

Test The Feasibility

1. Are Conditions Right For A District Management Organization?

Before organizers launch an effort to form a district management organization, some homework needs to be done to determine if the basic conditions of the proposed district will support the organization. By taking this important first step, organizers will quickly determine if there is private and political support for a district management concept and whether critical criteria are in place for success. It is important to initiate the effort at the right time when the right people, political environment and economic resources are in place to help ensure a successful outcome.

The following are key elements that should be analyzed by organizers to determine if the underlying conditions are favorable to pursue a district management organization.

Property Mix

Analyze the property mix of the proposed district to determine if there is the potential to develop stakeholder support to form a district management organization. The district could include cultural, nonprofit, academic, institutional and residential uses in balance with a strong commercial core. The composition of the district will help you understand who the stakeholders are in the district. For example, if your analysis shows that your district has a high concentration

of tourist and hospitality businesses and visitor attractions, a concentration of cultural organizations, or residents, that may help determine the key stakeholders, partners, funders and even suggest the type of district management organization that may make the most sense for your community. If a BID is being considered, it must have contiguous boundaries within which 75% of the area is comprised of commercial, retail, industrial or mixed-use properties.

Stakeholder Support

Identify and educate key stakeholders in the community about district management organizations to establish a basic understanding and support for the two basic organizational models under consideration. By educating key stakeholders at the outset, organizers can preempt misinformation that could undermine the effort to determine which model is best for your community.

Stakeholders will vary but could include the following:

- Key elected officials
- Major cultural institutions
- Major property owners
- Residential groups
- Chamber of commerce leadership
- Academic institutions
- Local media leadership
- Community activists
- Major developers within district
- Business owners
- Business organizations
- Other districts designations

Political Support

A district management organization requires a public/private partnership to be successful. Creation of a district management organization is most effective if it is a private-sector-led initiative with public support. At a minimum, forming a district management organization benefits from the cooperation of the municipality. At best, the municipality can be a strong supporter of the concept, even providing financial assistance to underwrite the start-up effort and financially participate in the organization.

It is essential to secure the support of the mayor or city manager who will direct the various departments to provide information and support. Most elected officials understand the benefits of a strong district management organization as a means of supplementing the services that the municipality is able to provide, thereby improving a strong and sustainable commercial core.



CHECKLIST FOR SUCCESS

- Property mix
- Stakeholder support
- Political support
- Stable economic base
- Planned major developments or infrastructure projects
- Base map
- Database of properties
- Basic district management fact sheet
- Frequently asked questions
- Statement of need

Adequate Economic Base

Organizers will need to determine if there is a sufficient economic base to support a district management organization. Preliminary outreach should be made to potential institutional sponsors, major property owners, foundations, and municipality to assess their willingness to financially support a voluntary based district management organization on an ongoing basis.

If a BID is considered, the proposed district must have the economic strength to support a fee structure that will generate adequate revenues to operate the BID. If the proposed district is severely depressed with high vacancy rates and abandoned properties, a BID might not be the best alternative. Under these circumstances, other economic development or investments may need to take place before an attempt to form a BID is viable.

What Happens If The Support Is Not There?

Sometimes the political or economic climate to form a district management organization does not currently exist. Organizers may need to continue to work with community development and neighborhood organizations, property owners and elected officials to build an environment that is more conducive to the development of a district management organization.

If it appears that there are property owners that have an interest but not a solid understanding of the various district management models, organizers may choose to begin this process as an “investigative” initiative to analyze the organizational models and educate the property owners in the district. Organizers may decide to consider interim steps with the long-term goal of forming a district management organization.

2. Communicate The Value Proposition

Developing the value proposition is a pivotal point that will set the course for choosing the best district management organizational model for your downtown. The statement should clearly define the problems and opportunities a district management organization could address and the constituents who would benefit from its programs and services.

3. Stakeholder Education On Concept Of District Management

There are a number of ways to introduce the concept of district management to stakeholders and to demonstrate the impact they can have on a downtown.

Host Community Forums

Organizers may want to host community forums to present information about district management organizations and the programs they offer in similar communities. A community forum is an opportunity to invite a speaker or expert on district management organizations to explain how they work in other locations. Invitations should be broadly distributed to property owners, tenants, residents, municipal leaders, and the media.

Organizers should choose examples that mirror their communities or have used programs to successfully address similar problems. For example, if public safety or quality of life concerns are issues, organizers may want to look at “Guide” programs or security efforts in other districts. If economic development is a priority, an organization may highlight innovative retail initiatives or merchandising programs. If maintenance and landscaping is a priority, show before and after images of maintenance approaches.

Road Trips to See Working District Management Organizations

Sometimes the best way to build support is to visit successful district management organizations in similar communities. These on-site visits allow stakeholders to see their operations in action and ask important questions of their staff. Fortunately, district management organizations exist in all sizes of communities within a few hours drive. From college towns like Amherst, to small to mid-size cities such as Beverly, Salem and Springfield, and to resort communities like Hyannis, there are many places to visit. Organizers may arrange transportation and meetings with officials, property owners and tenants, staff and board members to discuss how the organization has worked in their downtown. Most district management staff and stakeholders love to tell their story and a first-hand visit can be compelling.

Media Kit

Organizers must convey consistent and accurate information about the district management models under consideration to ensure that the public has the information they need to support the preferred concept. Organizers should prepare a basic press information kit that will contain general information on district management models, Frequently Asked Questions and other contact information. Promoting the vision and gaining the general support for the development of a district management organization is an education process.

Media Kit

A standard media kit may include:

- Statement of need
- Information fact sheet on district management programs
- List of Steering Committee members
- Frequently asked questions
- Press release announcing district management formation strategy

4. Recruit Stakeholder Champions To Lead The Effort

A strong steering committee is key to successfully forming a district management organization. This committee will be responsible for recruiting support and buy-in from all stakeholders.

Identify Steering Committee Members

The Steering Committee provides the leadership and feedback throughout the district management formation process. It is important to recruit a Steering Committee that is representative of types and mix of property owners within the district, including residential, government, nonprofit and cultural, commercial and academic institutions. Attention should be given to community leaders who reflect a variety of opinions, large and small properties, geographic representation, types of uses and tenants, residents and other constituencies. Above all, the Steering Committee needs to be seen as inclusive, fair, constructive and reasonable.

Select a Chairperson

Selecting the appropriate chair to lead the effort is a critical step in the district management organization formation process. A chairperson is ideally an established community leader, property owner of destination businesses or organization who will provide the public face for the district management organization formation process. The chairperson will conduct meetings and serve as the spokesperson for the Steering Committee.

Create a Shared Vision

Once established, the Steering Committee should articulate the shared vision for the district management organization. This step will make sure that Steering Committee members are in agreement with the overall goals of the organization. These goals establish the framework and are the underpinnings of the plan and programs that will be undertaken by the organization.

When To Hire A Consultant

A consultant may be an important asset to organizers in the district management formation process. Adding a professional who is experienced in forming district management organizations can help save time and ultimately be cost effective. Tasks may include:

- Overall project management — quarterback the campaign
- Draft the District Improvement Plan
- Prepare the district management budget
- Present to key property owners/funders
- Organize and steer the BID campaign process, if appropriate
- Motivate volunteers and staff
- Troubleshoot
- Keep the process on task and on time

What to Look For In Steering Committee Members

- Property owners
- Ability to work constructively
- Respected leaders
- Include the skeptics but avoid polarizing agents
- Major business owners

Characteristics of a Great Chairperson

- Property owner and community leader
- Active in community, fair and respected
- Known as a positive agent for progress
- Interested in long term vitality of the district management organization
- Consensus builder
- Organized and enthusiastic
- Strong communication skills

5. Find the Start Up Resources

Forming a district management organization requires a commitment of staff and resources for seed money start up expenses. The formation process will take between 12 and 18 months, depending on the district management model that is chosen, community understanding, size and complexity of the proposed district. Organizers need to be realistic about staffing commitment, start-up funds, and/or in-kind services necessary to undertake the formation and, in the case of a BID, the legislative approval process. Planning for the support necessary will help ensure that the resources are sufficient to complete the process successfully. The specific staffing will be customized to each community, but it is important to determine the roles and responsibilities of staff and volunteers at the outset of the effort.

Additional start up expenses may include digital and print materials to convey the district management plan to stakeholders and other funders. A well-designed District Improvement Plan and Executive Summary are important to communicate the programs provided by the organization and rationale for creating the district. The Steering Committee will need to identify the resources necessary to produce a quality product that represents the District Improvement Plan in a professional and cost effective manner. Finally, a district management organization will require office space, computer and web access, phones, office supplies, postage and advertising.



TIPS FOR START UP FUNDING

Start up resources may be available from a variety of sources such as

- State / MA Downtown Initiative
- In-kind staff support or loaned executives
- Foundations
- Lending community
- Community Development Block Grant
- Private property owners
- City/town
- Community Development Corporations
- Chambers of commerce
- Academic institutions
- Major businesses in district
- MassDevelopment Real Estate Technical Assistance Program
- Redevelopment authorities
- ARPA

6. Establish Preliminary Boundaries

Establishing preliminary boundaries is important in understanding the scope of services and potential revenue needed the district management organization. District entrances, attractions, key traffic generators, overall goals for the district and the composition of the tenant mix should be considered in making this decision. Frequently, organizers make the proposed district too small and thereby limit the impact of the programs and services offered by the organization. Conversely, some districts become too large or stretch the resources of the organization too thin. It is important to identify boundaries that are appropriate and consistent with the program and goals for the proposed district. Property within the district should be evaluated to determine if there are natural boundaries that help define the district.

For example, there may be a river, highway or railroad that serves as a logical place for boundaries. Another logical border might be the change from commercial to more residential uses. District boundaries do not need to coincide with existing zoning or other existing districts and should try to include both sides of the street wherever possible. Ultimately, the final boundaries may change as the Steering Committee goes through the planning process, due to owner support or other considerations. If a BID is considered, Massachusetts legislation requires that the boundaries be contiguous.

7. Create A Database Of Properties

A complete property owner database is the basis for all communication to property owners within the proposed district. For that reason, the municipality should be the official source of information on all properties within the district.



TIPS FOR THE DATABASE

- Create Microsoft® Excel spreadsheet with note fields
- Use block and parcel number to describe property
- Property address
- Owner name and address
- Tenant information (if available)
- Telephone/fax/email
- Type of use classification
- Assessment - land and building
- Number of apartments/condos
- Fields for verification of mailing
- Receipt, signature

Step 2

Create the District Management Improvement Plan

The real substance and details of the planning process for the development of a district management organization occurs during this step. The Steering Committee undertakes activities to identify priority issues of the district, seeks community input and consensus and develops the actual details on the programs, financing and management of the district. A comprehensive District Improvement Plan based on stakeholder consensus provides the Steering Committee with a strong marketing tool to promote the concept of district management as the vehicle to execute and oversee the plan.

1. Conduct A Needs Assessment

Each community will develop its own approach to conducting a needs assessment, but communities should be wary of skipping this important step. Frequently the Steering Committee believes that it already has identified the issues, and this step is unnecessary. But to do so is undermining the opportunity to use the process to continue to educate and build consensus for district management. Creating buy-in for district management is developed by listening to property owners, residents, tenants, cultural organizations and other stakeholders to identify the issues and opportunities that are important to them. This information becomes the basis for formulating strategies and programs that stakeholders feel are worth the investment and add value to the district and everyone who uses it.

2. Outreach To The Community

Outreach to the community is an important step to building an inclusive district management organization. The Steering Committee may use all or some combination of several techniques to gain information for a needs assessment. Various methods include:



Community Forums

A Community Forum is a good way to launch the planning process and to gain insight from stakeholders of needs, program priorities and plan strategies as they are developed. The invitation to the forums should be open to anyone interested in the district as an owner, visitor, tenant, student or resident. The initial forum provides the opportunity for a facilitator to conduct a SWOT Analysis or other techniques to engage participants. A facilitator will invite participants to identify STRENGTHS, WEAKNESSES, OPPORTUNITIES and THREATS within the strategies that are incorporated into the District Improvement Plan. By using the same SWOT process, a second community forum could target specific program recommendations and the allocation of resources on community priorities.

Surveys

A Needs Assessment Survey allows any respondent to identify how they use the proposed district and what issues are important to them. Frequently residents, students, visitors and workers may express different concerns or observations about the proposed district than property owners. A survey is a vehicle for organizers to assess different demographic and usage trends. Surveys can be published in local print and digital newspapers, through stakeholder newsletters, Facebook and other social media, public and stakeholder websites, customer communications, and on the district management

website. It may be useful to offer incentives, such as a drawing or prize offerings, to encourage a timely response or to drive people to participate. Customer surveys can be made available at retail locations.

Additionally, surveys should be mailed or delivered to property owners, residents and commercial tenants located within the district.

Focus Groups

Focus Groups are used to probe for specific issues that are of concern to different constituencies. Focus Groups should be limited to no more than 20 people to ensure participation and discussion. The facilitator should be a neutral participant and not a recognized community advocate for specific issues or positions. The facilitator should ask participants to prioritize issues that are most important to the district from their own perspective. Groups will vary by district, but should include the major stakeholders in the district, such as residents, students, retailers, visitors, cultural organizations and their patrons, and restaurant and nightclub owners. By targeting different groups, organizers gain specific knowledge about the needs of each of these groups that may be different or even contradictory. For example, restaurant and entertainment-based properties may have very different issues than residents living within the proposed district.

Website/Blogs/Video

Websites are important tools to both provide updated information and encourage participation from the community. The steering committee should create a website to invite feedback and participation in the survey process. Results can be analyzed and posted on the website for stakeholders to review and comment. Once the district management organization is formed, the website is key to updating and informing stakeholders of activities and milestones. Videos can be a concise and interesting way to explain the District Improvement Plan, present issues, capture feedback and viewer information and other information. Videos should be short, informative and entertaining.

Social Media

Many communities have active social media avenues to utilize as part of their community outreach strategy. Create your own or engage with existing Facebook, Instagram, and Twitter sites to help connect with stakeholders where they engage and exchange information.

Using the Information

Organizers will synthesize the information from all the needs assessment techniques and make recommendations of priority concerns and recommended actions. The information will be the foundation on which programs and funding priorities are developed for the District Improvement Plan.



CHECKLIST FOR SUCCESS

- Key stakeholder conversations
- Community forums
- Surveys
- Focus groups
- Website /blogs
- Video
- Social media

3. District Improvement Plan Components

Services Tailor-Made for Each District

District management organizations are attractive to communities because of their flexibility to focus on the particular set of supplemental programs and services that are tailored to meet the specific needs of each district. While many district management organizations offer supplemental maintenance, marketing and hospitality/security programs, each organization will have its individual and distinct personality based on the identified priorities of the stakeholders within their district.

District Programs and Services

The purpose of the District Improvement Plan is to provide the property owners within the proposed management district with a detailed understanding of the programs offered and how the organization would allocate the resources available to support its programs.

These may include common programs such as:

Economic Development Real estate development, market analyses, business retention and recruitment programs.

Maintenance And Beautification Sidewalk cleaning, recycling, trash removal, snow clearance, graffiti and gum removal, spring clean-up programs, and painting public amenities, etc.

Landscaping Enhancements Planting and landscaping of public spaces, hanging baskets and window boxes or the maintenance and enhancement of grass and trees in tree belts of median strips.

Marketing, Events And Public Relations Special events such as Restaurant Week, Farmers Market or First Night Celebrations, restaurant and shopping guides, holiday lighting, cooperative advertising, banners and other promotions.

Capital Improvements Façade grant and signage programs, or streetscape improvements. Frequently district management organizations partner with the municipality to improve public parks and other spaces.

Security And Hospitality Supplemental security programs working in cooperation with the local police. In addition to personnel, the district management organization may provide security cameras, fax networks and other crime prevention efforts. Hospitality oriented "Guide" programs feature trained hospitality guides to assist visitors and enhance security within the district by providing additional "eyes and ears" on the street.



Arts and Culture Many district management organizations incorporate arts and cultural programming as an economic driver for their district.

Transit And Parking Manage and promote parking facilities, Parking Benefit Districts, the development of shuttles, trolley and alternative transportation programs, pedestrian, and bikeway development.

Partnership Programs Partnerships with municipalities or nonprofits for services like loan programs, childcare, job training or homeless/mental health/opioid outreach and intervention.

The District Improvement Plan will illustrate the scope, frequency, staffing and cost of the programs that will be provided by the district management organization. For example, if the district management organization plans to provide a "Guide" program, the plan will outline the responsibilities, deployment, schedule, training, uniforms and staffing.



TIPS FOR COMPONENTS OF A DISTRICT IMPROVEMENT PLAN:

- Create an executive summary
- Detailed descriptions of the supplemental programs and services
- Proposed boundaries
- Budget
- Sustainable financial structure
- Management strategy
- Memorandum of understanding and baseline services with municipality
- Letters of support from other community stakeholders

4. Determine the District Budget and Strategies For Sustainability

The challenge in developing a budget is to balance the program priorities with available funding resources. The district management program should drive the budget to determine the resources needed to support the desired program. District management organizations typically create multiple revenue streams to comprise their overall budget. If a voluntary based organizational model is selected, a sustainable plan must be developed to provide the ongoing stakeholder support to fund the organization and programs. Some organizations form stakeholder partnerships with multiple year funding commitments. This requires a sustained effort to secure commitments from stakeholders, municipalities and other partners, but if successful, will provide a consistent level of funding that can provide the base for the district management organization. If a BID is the preferred organizational model, the BID fees will provide a dedicated revenue stream to support the organization for 5 years and longer upon renewal.



BUDGET TIPS

- Determine participation estimate
- Calculate value of in-kind
- Be realistic about expenses
- Get estimates
- Keep administrative costs as low as possible
- Leverage opportunities to minimize administrative costs
- Consider in kind contributions

Other funding opportunities may include:

- Grants
- Sponsorships
- Media partners
- Public funds or In-kind services
- Ticket sales
- Merchandise sales
- Voluntary "Friends of" memberships
- Revenue earmarked from DIFs
- Revenue earmarked from Parking Benefit Districts
- Contracts with program partners or municipality
- ARPA funds or other municipal funding source.

Estimating Costs

Don't guess about costs. Set realistic costs for programs when creating a budget. Reliable estimates can be obtained by:

- Cost projections from potential vendors
- Other district management organizations offering similar programs
- Private management companies contracting for services
- Past services contracts

Develop an Agreement with Municipality

The relationship between a district management organization and the municipality is important to leverage the public and private resources available to create a strong downtown. A Memorandum of Understanding or other agreement may be an important step to consider when forming a district management organization in your community.

Voluntary District Management Organizations

Voluntary district management organizations may consider entering into an agreement with the municipality to describe how the city/town will support the organization and its programs. This may be a formal MOU or a grant or contracted service agreement.

Business Improvement Districts

Most BIDs establish a MOU as part of the BID formation process.

The MOU establishes the relationship with the municipality, describes the baseline of municipal services that are provided to the district, and how the municipality will participate in the district management organization. This is a win-win opportunity for both the municipality and district management organization funders and stakeholders to establish a working partnership for success.

Municipality's Role In The District Management Organization

Once the program needs are determined by the Steering Committee, there are opportunities for the municipality to support the district management organization as a partner through cash or in-kind services. The municipality may participate in the organization as a property owner or member through a negotiated or other agreement of agreement to purchase services or provide in-kind services. This upfront negotiation seals the relationship with the district management organization and enhances the partnership on an ongoing basis.

Participation with the organization may include a wide variety of activities such as:

- Purchase of services like trash disposal, landscaping, graffiti removal
- Purchase of equipment for use by the district management organization such as graffiti removal machines or sidewalk sweeper
- Bill and collect the BID fee, if appropriate
- Department support for special events
- Community policing
- Snow removal
- Parking promotions / management of parking facilities

Specific programs and services are part of the MOU or other agreement and can be tailored to meet the programmatic needs of the organization. (See sample MOU and Baseline Services agreement in "How to Form a BID Manual" Appendix 11 on page 67.)

Step 3

Formalize The Preferred District Management Organizational Model

Depending on which organizational model is preferred, the following steps will be necessary to formalize the district management organization.

Business Improvement Districts

Petition, Signature Campaign and Legislative Approval Process

Forming a BID requires a formal petition and legislative approval as outlined in Massachusetts General Law Chapter 40(O). The steps involved in this process include:

- Preparation of the BID petition
- Organize the petition campaign
- Mail information package to property owners
- Conduct the signature campaign
- Organize the legislative authorization process

The Legislative Authorization Process



DAY 1

Petition to City/Town Clerk

Municipal Governing Body Schedules
Public Hearing – Within 60 Days

- Mail Notice of Public Hearings to Property Owners
Within 30 Days of Public Hearing
- Advertise 2 Weeks Before
- Advertise 1 Week Before



DAY 60

Public Hearing

Municipal Governing Body Takes Vote
Within 45 Days of Public Hearing



DAY 105

**Notice of Organization Mailed
to Property Owners – 30 Days**

- Advertise 2 Weeks Before
- Advertise 1 Week Before

For more detailed information, see "How To Form A BID Manual" pages 25-28.

Voluntary District Management Organizations

Forming a voluntary based district management organization does not require a formal legislative approval process. However, it will be important to communicate with stakeholders, funders, municipal leaders as the organization is formalized to build a strong organization and community support for the district management concept.

This process will include the following steps.

- Create communication materials to describe the mission, vision and District Improvement Plan
- Mail Plan to stakeholders, property owners, businesses and tenants within district.
- Brief political officials.
- Formalize partner relationships.
- Formally launch the district management organization.

Legal Organizational Actions for either BIDs and Voluntary District Management Organizations

Once the district management organization has been formed, the Steering Committee will turn its efforts to setting up the legal and administrative operations of the organization.

1. Form Bylaws And Articles of Organization

The Steering Committee will draft Bylaws and Articles of Organization that will establish the governance of the district management organization. The Bylaws identify the composition of the Board of Directors and basic structure of the organization.

2. Establish the Initial Board Of Directors

District management organizations are typically nonprofit entities managed by a Board of directors comprised of stakeholders or property owners if a BID. The Board of directors has a fiduciary responsibility for the organization's budget, hires and oversees the staff of the organization. The board should be representative of the variety of stakeholders that make up the district including commercial, residential, nonprofits, and institutional uses.

The organization's bylaws establish the composition, length of terms, and number of board members. The district organization should establish a process to solicit interest from stakeholders to serve on the board of directors. Organizations should also make every effort to form the strongest, inclusive and representative board possible to make sure all voices of your district are represented.

3. Apply For Nonprofit Status

The district management organization will apply for 501c3 nonprofit status with the Internal Revenue Service. Massachusetts BIDs are typically formed as 501c3 organizations. The 501c3 designation opens opportunities for the district management organization to accept charitable contributions and apply for grants that are only available to 501c3 organizations. If your district management organization chooses a different nonprofit tax filing, it may be possible to partner with other organizations with a 501c3 in place.

Step 4

Initiate District Management Programs And Services

1. Communicate With Members

Stakeholders within the district expect to see services immediately upon a vote to establish the BID or a formal launch of a new voluntary district management organization. Regular communication with stakeholders to document the activity that is happening behind the scenes will help establish reasonable expectations. The media is an important outlet to inform the broader community of progress with initiating operations of the district management organization. Stay visible, celebrate milestones, and create newsworthy media opportunities.

2. Hire Staff

The district management organization should establish office space within the district and engage the necessary management staff to administer it in a professional and cost-effective manner. The organization will operate under the direct control of the Board of Directors, which will be responsible for staff management and establishing fund accounts and internal controls. The alternative to staff management directly by the Board of Directors would be contracting for management services to another organization. The Board of Directors would retain fiduciary responsibility for the organization but would not be solely responsible for the hiring and management of staff.

3. Staffing and Supervision

Most district management organizations maintain a small professional staff to oversee the implementation and management of services and programs within the district. Staffing is contingent on the program size and budget. District management staff salaries should be in line with the professional staff responsibilities that are required for the position. Industry salary surveys are available through the International Downtown Association to determine the appropriate salary ranges for professional staff. These are the people who wake up every day focused on making your downtown district management program work for all.

4. Select Vendors For Program Success

Depending on the district programs as outlined in the District Improvement Plan, Requests for Proposals should be advertised for vendor services. The district management board members should take an active role on subcommittees to review and select vendors to provide services for the organization.

Services may include such services as:

- Maintenance
- Landscaping
- Marketing
- Graphic design
- Public relations
- Website development
- Social media management
- Event production
- Legal
- Insurance
- Grantwriting

Step 5

Measure Progress – Benchmarks and Metrics

It is important for district management organizations to create benchmarks and metrics to measure progress and evaluate the effectiveness of the programs and services. These important benchmarks are useful in communicating the impact of the organization to property owners, businesses, residents, elected officials and other stakeholders.

Benchmarking is about setting goals and measuring progress toward the District Improvement Plan. These benchmarks set a common set of criteria for the organization to monitor performance and make adjustments as needed. District management benchmarks should measure several areas:

People One of the most important indicators of a successful district management organization is found in the people who live, work and visit the area. Metrics can evaluate employees, labor force composition, visitors, residents and other people-related activities.

Dynamic Activities There are activities offered by the organization that provide important metrics. These metrics can be based on real estate activity such as vacancy and absorption rates for office and retail, hotel occupancy, parking utilization, new housing units and convention activity. Other measures can include attendance at arts and cultural events, festivals, educational offerings and student activity, dining and entertainment sales and activity.

Physical Environment Making the physical environment of the district clean, inviting and safe sets the stage for businesses and residents to flourish. Metrics can measure safety, cleanliness, accessibility and placemaking amenities.

Organizational Effectiveness Benchmarks develop a measure of overall effectiveness of the organization. These may include overall satisfaction ratings by stakeholders, media support and coverage, social media interaction and board participation.

Exactly what the organization decides to use as metrics depends on the priorities of the district management organization. Typical measurements could include but are not limited to:

- Vacancy rates
- Property values
- Housing units developed
- Crime / safety statistics
- Maintenance statistics like graffiti removal, trash cleanup, etc
- Attendance at cultural events or festivals
- Meal, sales tax revenue
- Hotel occupancy
- Satisfaction surveys

Other Tools To Consider

District management organization should consider utilizing tools to help manage relationships with stakeholders and partners, as well as accessing data and information that will help them allocate and target resources in the most impactful and cost effective manner.

Client Relation Management

Client relation management tools are a good way for district management organizations to keep track of interactions with property owners, tenants and others within the district. Some organizations use simple spreadsheets for this function or proprietary products designed specifically for district management organizations. These tools help staff and board members manage property owner interactions and track activity.

Geotracking Data Collection

District management organizations may decide to subscribe to proprietary location data through geotracking collection services. These can provide accurate, reliable, accessible location analytics to learn more about the people who are using your district. These services help district managers understand brands, foot traffic, consumer patterns and changes from year to year. Armed with this information, organizations can make informed decisions on how to allocate staff and budgets.

How Others Are Doing It

Lessons for Forming a District Management Organization

Forming a district management organization requires the right combination of people, resources, and political support for success. While there is a process to forming a district, as illustrated in this toolkit, organizers will need to determine the best techniques best suited for your own districts. Some of the key lessons learned from forming district management organizations throughout the Commonwealth are:

- Do the upfront planning – don't be tempted to skip this step.
- Find adequate start up funds.
- Engage technical support if needed.
- Recruit a strong steering committee.
- Recognize the importance and possibilities of partnerships to leverage resources.
- Formalize relationship with municipality.
- Be inclusive.
- Make community engagement work by using a variety of techniques to reach the intended audience.
- Create a realistic budget.
- Secure sustainable funding commitments.
- Create a strong governance board.
- Make good hires.

Case Study

Community Outreach And Education · Reading, MA

readingma.gov

[mass.gov/doc/admin-capacity-best-practice-sheets-compendium/download](https://www.mass.gov/doc/admin-capacity-best-practice-sheets-compendium/download)

The Town of Reading launched the effort to form a district management organization in their downtown. Starting from scratch, the town initially took the lead in an extensive community outreach and engagement effort to educate the community and stakeholders on different district management models, assessing district priorities and opportunities in Reading. The town spearheaded this effort utilizing the following activities:

- The Town of Reading secured Massachusetts Downtown Initiative Technical Assistance funding and committed staff to initiate and support.
- A large broad-based community advisory/working group was formed to provide input.
- A survey was widely distributed to community residents, businesses and other stakeholders – 1600 response were received providing insight into program priorities and community preferences
- Participation in the Local Rapid Recovery Plan Process.
- Community Outreach Event - A Pizza/Ice Cream Social brought over 150 residents to provide input
- 3 Community Forums – Panels featuring executive directors of different types of downtown organizations described their programs, challenges and models.
- Working sessions with Advisory committee to discuss specific models/budget.
- One on one conversations with key stakeholders.
- Consensus building with stakeholders and recommendation of preferred model and next steps.
- Transition from town-led effort to Steering committee comprised of property owners, businesses, and other stakeholders to lead organizational effort. Town staff continued staff support. TA support continued through additional MDI grant.
- BID Steering Committee was formed and a BID petition process is underway.



Reading Community forum



Reading Survey

Case Study

Producing a Demonstration Project · Cambridge, MA Central Square Business Association/Central Square BID

centralsq.org

The Central Square Business Association led the effort to form a BID in Central Square in Cambridge. The BID organizers raised money from stakeholders, local foundations and other sponsors to put on a demonstration project to show the types of services the proposed BID would offer. This demonstration project dramatically and clearly show the impact of BID services and build support during the final stages of the petition signature campaign to form a BID. The demonstration was helpful in pushing the petition process over the finish line.

The project included:

- Public Art and Cultural/ Community Performances
- Enhanced Cleaning and Maintenance



Cultural celebrations



Cleaning long neglected public spaces



Murals Performances



Performances

Case Study

Forming A Strong Steering Committee · Hudson, MA

hudsonsquarebid.org

[HowToCreateABID_2020_CaseStudy_Hudson.pdf \(massdevelopment.com\)](#)

The BID effort was spearheaded by the Downtown Hudson Business Association, a group of active and influential businesses and property owners promoting Hudson. Their leadership, coupled with strong support from the Hudson planning staff, built on an existing public/private partnership between the Downtown Hudson Business Association and the Town of Hudson.

A strong steering committee is essential for success. Hudson described its committee's "secret sauce" as the ability to assemble the influential players needed to lead the BID organizing effort. Members included: "a visionary, a bulldog, a negotiator, an organizer, a financial person, and civic and business leaders" including:

- A legacy property owner and long time retailer in downtown
- A new entrepreneur and property owner who was tapped into the creative community
- Long time volunteer
- A banker
- Insurance executive

The steering committee was so successful that over 80% of property owners in the Hudson BID signed a petition to form the district management organization.



Hudson Entrepreneur

Case Study

Addressing District Challenges · Newmarket, Boston, MA Newmarket Business Association/BID

newmarketboston.org/contact

The Newmarket Business Association (NMBA) is an organization that has served their business district for over 30 years. The NMBA decided to pursue forming a more formal district management organization BID model in order to generate a larger base budget and staff capacity to meet the particular challenges of the Newmarket District. The evolution of this organization to a BID was completed in late 2021. The BID will now offer increased services to address opioid and homeless issues in the district, run shuttle services for district residents and employees to access public transportation, and partner with the City for enhanced security and maintenance. The new BID is now the second largest BID in the Commonwealth.



Newmarket Business Association/ BID – Assisting district people in need of services.



Case Study

Creating Working Partnerships · Salem, MA
Salem Main Street Association/Chamber of Commerce
City of Salem/Destination Salem

salemmainstreets.org

The Salem Main Street program is a voluntary district management entity working in partnership with the Chamber of Commerce. The organizations are co-located to share administrative expenses. This close collaboration and partnership allows each entity to do what they do best. The Salem Main Street focuses marketing and promotional activities to create a year round retail, dining and cultural destination, and recruit and retain businesses. The Salem Main Street is modeled after the Main Street Four-Point Approach – design, economic restructuring, promotion and organization. The Salem Main Street Program produces a wide range of events throughout the year to bring people to support businesses in downtown Salem.



Salem holiday temporary mural event promotion

Overcoming Challenges

Achieving Authentic Inclusivity

Forming a district management organization must be an intentionally inclusive process that welcomes new as well as long-term property and business owners, downtown residential neighborhood associations, the municipality, and other key downtown stakeholders to develop the organizational and leadership infrastructure to form an organization. The goal of this effort would be to form a strong, diverse, and inclusive steering committee to guide the development of a district management organization in your community, identify key champions and build a solid coalition around the concept. Organizers must be thoughtful about how to include new entrepreneurs, BIPOC businesses and residents through a variety of different tactics to help make participation accessible and comfortable. If successful, the result will be an inclusive process that taps into the potential of the entire district community, lead to a stronger plan and build community and funder support.

The Steering Committee should undertake efforts to engage media (both mainstream and community group based), social media, businesses, property owners, nonprofits, cultural organizations, visitor attractions, and interested residents to continue to identify and refine needs and priorities for the downtown. Their voice and issues matter. This work will be used to inform the District Improvement Plan. Additionally, these outreach efforts provide the opportunity to educate stakeholders on district management models, identify needs and opportunities as well as potential leadership. Community engagement can happen in a variety of ways including:

- **Community Visioning Forums** - Produce fun, engaging and informational visioning sessions held in accessible, approachable locations such as a local business, restaurant, park, libraries, or community gathering space. Meet people where they are comfortable.
- **Peer Learning Panels** - Invite Executive Directors from other district management organizations in similar communities to present on the work of their organizations.
- **Visits To Other Communities** - See programs in action.
- **Surveys** - Use surveys to identify needs and priorities.
- **Focus Groups** - Hold focus groups with key stakeholders.
- **Websites/Social Media**

Creating Buy-In and Stakeholder Support

It will be essential to develop the value proposition for investing human capital and the financial resources into a district management organization and communicate to the municipality and private stakeholders the impact of their investment. The long-term goal of a district management organization is to build a destination that is attractive to potential developers, businesses, residents, and visitors. In the near term, an organization can play an important role in COVID recovery. A successful district management organization can help achieve increased property values, improved sales and meals taxes, stronger tenancy, a vibrant cultural scene, and a destination where people want to shop, locate a business, dine, and live. A well-managed and sustainable district management organization will undertake strategic supplemental programs and services that will help achieve that goal.

Key talking points to promote the concept include:

- Ability to collectively and cost effectively purchase priority supplemental programs and services to achieve impact /scale .
- Provide a unified voice / "seat at the table" for district priorities.
- Professional management and staff dedicated to implementing programs and services in the district.
- Produce and execute cultural and event programming.
- Ability to respond to crisis - COVID.
- Leverage resources and build collaborations.

Political Resistance

District management organizations work best if they are formed as a true partner with the municipality. Local government officials need to be well informed of the concept of district management and supportive of the effort to maximize the impact of the organization and leverage private and public resources available to programs and services. It will be important to include elected officials in the formation process to make sure their concerns and ideas have been considered. If the district management organization is successful, the municipality will benefit by increased property values, meals and sales tax revenue, improved destination marketing and increased private sector support for your downtown. Some strategies to build political support may include:

- Briefings on district management concept to clarify any questions.
- Fact-finding discussions to identify concerns and suggestions.
- Visits/conversations with peer elected officials from communities with district management organizations to learn about impact on downtown.
- Data from IDA or other trusted sources.
- Meetings with key stakeholder leadership to reinforce partnership concept.

Lack of Capacity - Importance of Partnership and Collaborations

District management organizations can be formed in communities of all sizes. Occasionally, communities may lack the human, financial or organizational resources to form a new district management organization. If those conditions exist in your community, a partnership or collaboration of existing organizations may provide the collective "bandwidth" needed to form an district management partnership. Creating a shared vision, pooling resources and collaborating on programming may be a good place to start. Building a trusting working relationship will demonstrate the power of collaboration and the impact of working together on shared priorities.

Overcoming Turf Wars – Defining roles and responsibilities

A new district management organization can be seen as a threat to existing organizations competing for resources, memberships and other sponsors. The experience of other communities proves that district management organizations are often complementary and collaborative with existing organizations like Chamber of Commerce, retail business associations, fraternal organizations etc.

Strategies may include:

- Include other organizations in planning process.
- Clearly define respective roles to avoid duplication of programming.
- Look for opportunities to leverage staff, equipment and office space.
- Explore potential to enhance existing programming
- Play to each organization's strengths.
- Share the credit for success.

Key Resources

Key Resources

Resources for Startup and Sustainability

Start Up

Seed money is required to start a district management organization. Start up funding can be assembled from a variety of sources including in-kind services such as legal work, volunteer administrative support, equipment, office space etc. Sources include the following:

- **Massachusetts Downtown Initiative** – Technical Assistance – Department Housing and Community Development - \$25,000 maximum
- **Real Estate Technical Assistance Program** - MassDevelopment - \$50,000 maximum.
- **American Rescue Plan Act of 2021 (ARPA)** - Municipality
- **Local Foundations**
- **National or State wide Foundation** (Barr Foundation)
- **Grants** from state-wide funders i.e hospitals, colleges , banks
- **Donations** - Individual/ business contributors
- **Municipal grants or contracts**
- **In-Kind services**

Sources of Funding for Ongoing Sustainability of District Management Organizations

Careful attention should be given to developing a realistic budget, and a variety of revenue opportunities for the organization. If a BID is formed, the basis for a sustainable budget will be BID fees that are assessed to property owners within the district. The BID fees are supplemented by addition revenue streams. The BID fee is billed and collected by the municipality and remitted to the BID. The BID is reauthorized every 5 years. If a voluntary district management organization is formed, a sustainable financing plan must be developed to ensure sustainability.

Sources for district management financial support may include:

- BID assessment/fees
- Institutional stakeholder financial commitments – academic institutions, banks, hospitals, etc.
- Event and program sponsorships
- Event revenue
- Municipal grants or contracts
- State of local foundations
- Individual/business donations
- "Friends of" memberships
- ARPA
- DIF funding
- Tourism/hospitality District funding

-
- Parking Benefit District funding
 - Massachusetts Cultural Council – cultural facilities funds, arts council programming
 - MassGrowth Capital Corporation
 - National nonprofit foundations for specific programs

Additional Resources

How to Form a BID In Massachusetts:

<https://www.mass.gov/doc/2020-revised-business-improvement-district-manual/download>

<https://www.mainstreet.org>

<https://www.macdc.org>

https://www.mapc.org/wp-content/uploads/2017/10/Parking-Benefits-Districts_one-pager.pdf

https://www.massdevelopment.com/assets/what-we-offer/DIF/V8_5.29.19_-_DIF_Guide_-_MassDevelopment_DIF.pdf

<https://www.preservationmass.org/understandinglocalhistoricdistricts>.

<https://massculturalcouncil.org/communities/cultural-districts/designated-cultural-districts>

<https://www.mass.gov/info-details/tourism-destination-marketing-district-tdmd-fund-faqs>

<https://www.massdevelopment.com/what-we-offer/key-initiatives/tdi/>

https://www.massdevelopment.com/assets/what-we-offer/DIF/V8_5.29.19_-_DIF_Guide_-_MassDevelopment_DIF.pdf

Best practice rubric - Forming a BID in Hudson

Case Studies

https://www.massdevelopment.com/assets/what-we-offer/BID/HowToCreateABID_2020_CaseStudy_Hudson.pdf

https://www.massdevelopment.com/assets/what-we-offer/BID/HowToCreateABID_2020_CaseStudy_CentralSquare.pdf

https://www.massdevelopment.com/assets/what-we-offer/BID/HowToCreateABID_2020_CaseStudy_Hyannis.pdf

<https://www.mass.gov/info-details/rapid-recovery-plan-rrp-program#technical-assistance-resources> - Developing a District Management Organization in Reading, MA

Examples of BIDs in Massachusetts:

Hyannis - hyannismainstreet.com

Worcester - worcesterbid.com

Hudson - hudsonsquarebid.org

Springfield - springfielddowntown.com

Boston - downtownboston.org

Central Square Cambridge - centralsq.org

Taunton - downtowntaunton.org

Amherst - amherstdowntown.com

Newmarket - newmarketboston.org

Examples of Voluntary Management Districts In Massachusetts:

Beverly - bevmain.org

Salem - salemmainstreetassociation.org

Framingham - downtownframinghaminc.org

Kendall Square - kendallsquare.org

Rockport - rockportma.gov