

CASE STUDY: BUSINESS IMPROVEMENT DISTRICT

City of Cambridge | Middlesex County, MA



Population: 118,977
Median household income: \$72,529



DISTRICT OVERVIEW

Central Square has been a thriving commercial and cultural hub in Cambridge for over 100 years. It is an intersection of transit, commerce, dining and scientific research as well as a diverse and eclectic community of artists, residents and visitors. Central Square has its own daily rhythm. Small businesses, major life science companies and academic institutions provide a daytime mix of professionals and students. At night, the Square transforms into a dining and entertainment mecca, drawing Cambridge residents and visitors seeking multicultural dining experiences, arts and entertainment. Central Square also hosts a range of social services for residents in need.

The profile of Central Square’s arts and culture scene was elevated when the area became one of the first Cultural Districts designated in the Commonwealth by the Massachusetts Cultural Council. The district’s cultural vibrancy makes possible activities where values of equity and inclusion are promoted in the Cambridge community. The success of the Cultural District solidified the importance of arts and culture in Central Square and demonstrated the role the arts community plays in creating Central Square’s unique brand. The Cultural District and the BID share the same boundaries and vision for Central Square, further empowering each organization to leverage each other’s strengths and resources.

Central Square is also a district in flux. It is experiencing the pressure of new office and residential developments that challenge the look and feel of Central Square. The BID is working closely with property owners to retain the eclectic, independent retail businesses and culturally diverse restaurants, sustain a vibrant arts and residential community, ensure social services for people in need and integrate new development into the fabric of the Central Square community.



THE BASICS

Organizational Model 501c3
Formally Authorized June 2019; Renewal, 2024
Budget \$1,448,000
Sources: BID fees, grants, event revenue, contracts

Property Parcels 98; **Voting entities**, 73

FEE FORMULA:

Commercial property owners pay for BID services on a formula determined by assessed value based on size, type and ownership.

Charitable, religious, educational, government and other properties exempt from taxation have a Memorandum of Understanding or other negotiated agreements. Residential properties are exempt from fee. (Refer to page 6 for a complete description of the fee formula.)

Size83 acres

Vacancy and Value

Vacancy Rate when formed in 2019 0.01%
2019 Assessed Value in BID \$1,489,000,000

The Central Square BID was made possible by the partnership between the Central Square Business Association (CSBA), property owners and the city of Cambridge. The CSBA's executive director led a seamless transition from the CSBA to the Central Square BID and added a small professional staff with strong marketing and organizing expertise. This continuity of leadership from the CSBA to the BID streamlined the ramp-up of services and programs. Additionally, the Central Square BID's 501(c)3 status allows the BID to access additional grants and other resources to support its activities. The BID plays a pivotal role in Central Square by leveraging an annual budget of \$1.48 million and a wide network of partners. Sources of revenue for the BID budget include membership fees of approximately \$994,000, and additional grants and sponsorships. The BID staff is supported by a 23-member Board of Directors comprised of property owners and other stakeholders in the BID.

GOAL

The primary goal of the Central Square BID is preserving the eclectic character of Central Square while also planning for a sustainable future that is inclusive and supportive of new development, existing businesses and residents. The Central Square BID refers to this model of growth as “place-keeping, rather than place-making.”



THE PROCESS

History For over 20 years, the business community and city leaders discussed the formation of a BID in Central Square. Planning studies conducted over four decades suggested that Central Square would benefit from the district management a BID could provide. The Central Square Cultural District was a success but its work was limited in scope. Central Square was experiencing new life-science-related real estate development, rising housing costs, increased homelessness and addiction issues and growing demand from property owners and businesses for more programs and services than the city could reasonably provide. It became apparent a more comprehensive and financially sustainable approach to managing Central Square was needed. The CSBA periodically considered undertaking the BID effort but lacked the resources, political support and enough local property-owner backing to launch and sustain the effort. This changed when a group of emerging leaders—both new and legacy property owners, a dynamic new CSBA director and enthusiastic support from the city administration—renewed the energy to form the BID and successfully bring new resources and programs to make Central Square cleaner, safer and more welcoming to residents and visitors.

Feasibility and Planning The Central Square BID process was funded by the Cambridge Redevelopment Authority, Cambridge Community Foundation, city of Cambridge and the CSBA. This critical financial support enabled the CSBA to undertake an extensive community engagement process and innovative demonstration project to show the impact of the BID on Central Square.

Community Engagement In spearheading the BID, the CSBA had a deep understanding of Central Square and an appreciation for the sense of community ownership of the Square felt by residents and businesses alike, and it was important to leaders to draw others into the conversation. The CSBA gathered residents of all backgrounds, large and small businesses, cultural organizations and property owners in a community engagement process that was inclusive, approachable and accessible for all stakeholders. The goal was ensuring meaningful

PRO TIP

COMMUNITY ENGAGEMENT

A well-conceived community engagement process is important for almost any BID effort. It is time well spent and often builds community support, inclusivity and champions for the BID petition signature campaign.

PRO TIP

MIX OF TOOLS IS KEY

It's critical to use various approaches to allow a wide range of participants to provide meaningful input in comfortable settings. The strategy may involve a variety of different techniques for engagement, including surveys, community forums, interactive workshops, focus groups, small group and one-on-one meetings with key stakeholders.

input into the BID Improvement Plan and generating broad-based support for the BID. The process used a variety of formats, including interactive community workshops, small group discussions, focus groups, one-on-one meetings with stakeholders and surveys. This community engagement strategy provided the opportunity for community stakeholders to express ideas and priorities, and it proved invaluable in addressing misinformation and concerns. The inclusive process also provided a forum for education on the BID's values and organizational structure, proposed programs and services, and its impact on Central Square. Overall, the method created the foundation for community support and generated excitement for the BID. The community felt a sense of ownership of the BID Improvement Plan and what it could mean for Central Square. The BID organizers built on that momentum to secure property-owner involvement and support for the BID.

Additionally, a cross section of the Central Square community, including small businesses, arts and cultural organizations, social service providers, property owners, residents, city officials, police, educational institutions and other stakeholders formed a broad-based BID advisory committee. This group provided ongoing support and guidance to determine the fee structure, final BID Plan and undertake a petition signature campaign to garner needed support.

Petition Signature Campaign To form a BID, a community must successfully secure the support of a minimum of 60 percent of property owners representing 51 percent of the assessed value of the proposed district to petition the municipality to formally authorize the formation of a BID. The Central Square BID consists of 98 parcels covering 24 city blocks over eight tenths of a mile. The support of several large property owners was needed to ensure the petition's success. Campaign organizers decided that the most effective way to communicate the impact of the BID on Central Square was to show the possibilities it could bring through a demonstration event called The Taste of the BID. Over the course of four weeks, the project piloted the proposed BID services, including downtown ambassadors and a cleaning crew that removed litter and graffiti, power washed sidewalks and tackled deferred maintenance issues in the district. The BID also installed public art and sponsored cultural performances throughout the BID. The Central Square BID felt cleaner, safer and more welcoming. The Taste of the BID was met with positive media, rave reviews from property owners, tenant and residents, and it created a sense of urgency from property owners to establish the BID as quickly as possible. The Taste of the BID provided the momentum to complete the petition campaign, garnering support from 73 percent of property owners representing 85 percent of the district's assessed value. Positive testimony at the public hearing came from a broad cross section of residents, businesses, artists and property owners of all sizes. By all accounts, the highly inclusive community engagement process and The Taste of the BID demonstration project contributed to the success of establishing a BID in Central Square in less than a year.

BID PLAN

The BID budget allocates funds to enhance maintenance and safety programs, marketing and events, arts and culture programming and business support. The arts and cultural program is designed to actively manage and promote the Central Square Cultural District, and marketing efforts are designed to attract residents, businesses and customers to Central Square. The Central Square BID also manages a robust Ambassador Program, a cleaning crew and community outreach workers who connect people in need to social services and programs in Central Square.

YEAR ONE HIGHLIGHTS

Central Square BID Ambassadors Central Square has engaged a national vendor, Block by Block, to provide ambassador and cleaning services in the BID. The ambassadors work seven days a week to improve the physical appearance of the BID and assist people who need directions, services or information. They work closely with the Cambridge police and outreach workers to create a welcoming environment in the BID.

Arts and Cultural Programming The BID is the vehicle for developing arts and cultural programming and events in Central Square, such as a mural program that has funded and overseen the installation of 28 murals, and several multicultural performances and culinary events.

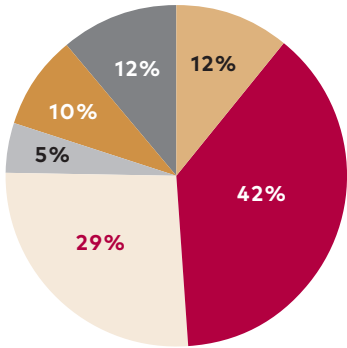
PRO TIP

SEEING IS BELIEVING!

If resources allow, a demonstration of what a proposed BID can deliver will dramatically and clearly show the impact of BID services and build support.

Quality-of-Life Services Collaborations The BID partners with organizations to address quality-of-life issues in Central Square. Outreach workers in the BID offer services to individuals experiencing homelessness or substance abuse. This collaboration has enabled the BID to leverage resources and elevate its impact on the district and continue to focus attention on these important issues impacting Central Square and residents in need.

Advocacy and Influence The BID is an influential voice for Central Square’s property owners, creative community and tenants. The BID has a positive track record in effectively tackling issues impacting Central Square in partnership with Cambridge City Hall. The BID has proven itself to be nimble and responsive to its constituents’ needs during its first year of operation.



Budget

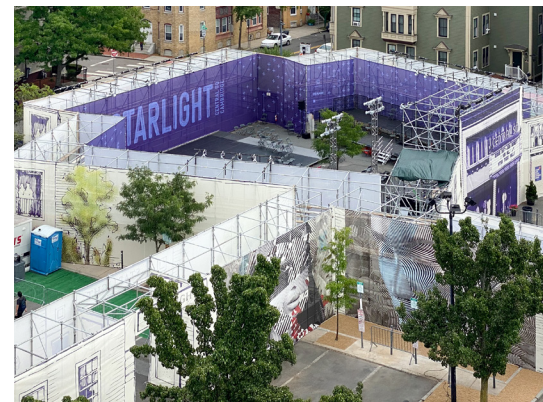
Marketing and events	12%
Cleanliness and beautification	42%
Arts and culture.....	29%
Business support	5%
Administration.....	10%
Public safety and quality-of-life.....	12%

COVID-19 RESPONSE



The BID has undertaken a variety of creative activities to respond to the pandemic and its impact on businesses and cultural institutions in Central Square.

Starlight Square Performance Venue Within seven weeks after the pandemic became a reality, the BID led a collaboration of organizations that conceived, designed, fundraised and executed the creation of a safe and well-programmed outdoor venue for arts, education, dining, public markets, commerce and community worship in a COVID-19 era. Starlight Square transformed a large municipal parking lot with scaffolding, scrim, murals, movable seating, lighting and sound for a unique arts experience. The venue created space for theater, dance, music and art to carry on safely in an outdoor environment. These activities in Starlight Square were recorded to expand to a larger virtual audience. Almost \$700,000 was raised through community donations, in-kind services and government and philanthropic grants to make Starlight Square a reality. Starlight Square is a tangible celebration of art, commerce and community and an expression of hope for Central Square to emerge from the pandemic with its cultural resources intact.



Hello Again! Marketing Campaign The BID partnered with a Central Square design firm, IDEO, to create a multifaceted DIY toolkit to promote a safe return to Central Square. The Hello Again! marketing program, with its welcoming pink color palette, is BID’s campaign to provide clear and consistent information to people returning safely to the Central Square. The campaign lets people know what businesses are open, what services are available and how to stay safe, and it provides visual reminders on how to social distance, sanitize and wear a mask. The toolkit, supplies and posters were provided free to businesses. Storefronts, street furniture, mailboxes, sidewalks and murals were covered with graphics from the Hello Again! campaign to deliver a consistent message throughout the BID.

Outreach Workers The Central Square BID has significantly expanded its efforts to increase the number of outreach workers active in the BID. The workers coordinate with area social service providers to assist those in need. The pandemic has impacted many vital social services in Central Square, and the BID has stepped up to assist during this time.



LESSONS LEARNED

- An inclusive, well-executed community engagement process to generate support, clarify ideas and identify priority programs is key to the successful adoption of a BID.
- The ability to raise start-up funding and in-kind support to effectively promote the BID can fast-track the formation and approval process.
- Creative leadership by an engaged Board of Directors and executive director can forge new partnerships, generate financial support and quickly produce results.
- A cooperative and supportive city administration is critical to success.



THE BASICS

FEE FORMULA:

Property owners pay for BID services based on the following formula:

- Taxable and 121A properties with an assessed value of \$30,000,000 or less have a fee of \$1.10 per \$1,000 of assessed valuation; properties with a value greater than \$30,000,000 have a fee of \$1.10 per \$1,000 of assessed valuation up to \$30,000,000, plus \$0.40 per \$1,000 of assessed valuation over \$30,000,000.
- Charitable, religious, educational, government and other properties exempt from taxation have a Memorandum of Understanding or other negotiated agreements.
- Commercial condominium units within a single condominium development with a combined assessed value greater than \$30,000,000 have a fee determined by allocating the \$30,000,000 threshold proportionately among the units, so that the aggregate fee is the same as if the units were taxed as a single-tax parcel.
- Multiple properties on more than one tax parcel with a single owner and a single building and a combined assessed value greater than \$30,000,000 have a fee allocated proportionately among the parcels, so that the aggregate fee is the same as if the parcels were assessed as a single-tax parcel.

