

CASE STUDY: BUSINESS IMPROVEMENT DISTRICT

Town of Hudson | Middlesex County, MA



Population: 19,960
Median household income: \$89,225



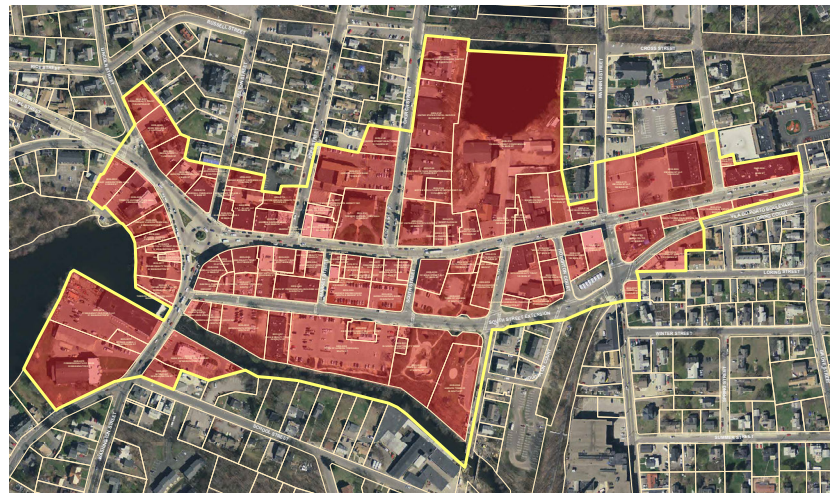
DISTRICT OVERVIEW

Hudson, Massachusetts, is a quintessential New England town with a small-town feel and entrepreneurial spirit. Hudson business leaders point to a time when a motorcycle bar was the one drawing card for the downtown. That was then, this is now. When the television program *Chronicle* featured Hudson in 2016 as a “Happening Hood,” Hudson businesses and downtown supporters wholeheartedly agreed. Hudson is experiencing a transformation from a small industrial downtown to a mecca for new entrepreneurs, young families and others attracted to the relatively affordable real estate market, home town friendliness and can-do attitude of the local business community. The downtown features wide sidewalks and streets lined with historic and architecturally significant buildings. Stately three-story brick buildings front Main Street, and the historic Town Hall includes an attractively landscaped park. The rotary, located at the west end of the downtown, helps to serve as a visual gateway for visitors. An influx of new entrepreneurs has brought farm-to-table dining, artisanal flatbread and a premium ice creamery and microbrewery to the downtown. Longtime merchants and residents have embraced this energy and welcomed the newcomers into an active, long-standing group of business leaders, supporting downtown Hudson. That, coupled with a supportive town administration created the opportunity for a Business Improvement District (BID) to be formed.

The Hudson BID has the smallest budget of any BID in the Commonwealth. The BID organization is a 501(c)3 non-profit with an annual budget of approximately \$172,700, nearly two-thirds of which is derived from BID fees. The BID’s nonprofit structure enables it to do additional fundraising to augment its budget and access other sources of funding. The BID is staffed with a part-time director with deep connections in the community and demonstrated ability to form collaborations and communicate with property owners, town officials and residents. The Hudson BID leverages in-kind support from community volunteers and strategic partnerships to stretch its modest budget to make a significant impact on its downtown. The BID is managed by a Board of Directors comprised of the steering committee and other property owners. Small in size but big on plans, the Hudson BID has made a significant impact on the downtown.

GOAL

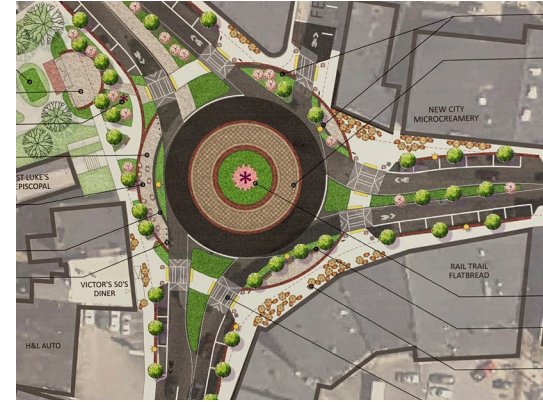
The Hudson BID was created to capitalize on the emerging renaissance of its downtown and sustain its positive economic growth. A mix of small businesses and services, festivals and cultural events, trendy restaurants and shops



THE BASICS

Organizational Model	501c3
Formally Authorized	2017; Renewal, 2022
Budget	\$172,700
Revenue Sources	BID fees, grants and events
Property Parcels	120; Voting entities, 84
FEE FORMULA:	
Property owners pay for the BID services based on the following fee formula:	
• Commercial	0.035% X assessed value
• Residential	0.02% X assessed value
• Mixed-use	Commercial – 0.035% X assessed value Residential – 0.02% X assessed value
• Nonprofits/Public	Negotiated agreements/MOU
Size	47.8 acres
2017 Vacancy Rate in BID	11%
2019 Vacancy Rate in BID	5%

has brought vitality to downtown Hudson and provides needed services to neighboring rural communities. Nearby natural resources including parks, a canal walk and multiple river access points provide the opportunity to be better connected to downtown destinations. The BID created a way for downtown Hudson to Implement a BID Improvement Plan that includes wayfinding, enhanced and well-managed parking and infrastructure improvements—such as the rotary gateway project and Riverwalk with connections to the Assabet River Rail Trail and downtown—and marketing and coordination of events. These enhancements were all designed to help the downtown continue to grow and thrive. Hudson has an enthusiastic and engaged business community and supportive town administration, determined to build on these recent trends.



THE PROCESS

Feasibility/Planning 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. The town of Hudson supported the effort by securing technical assistance grants through the Massachusetts Downtown Initiative (MDI) to fund the planning and organization of a BID.

The steering committee played an active role in developing property-owner support and determining the BID program priorities. Facilitated by the MDI consultant, the steering committee did extensive outreach to businesses and property owners, stakeholders and elected officials to develop the Hudson BID Plan. This document served as the marketing piece for the BID during the signature campaign and authorization phase of the BID formation.

Petition Signature Campaign To form a BID, a community must have support of a minimum of 60 percent of property owners representing 51 percent of the assessed value of the proposed BID. Hudson has a small BID with 120 parcels included in the district. This manageable size allowed the steering committee to execute a plan to build property owner support through very personalized outreach and communication that involved one-on-one and small-group meetings with property owners. The BID steering committee was committed to demonstrating a level of buy-in from property owners that far exceeded the statutory minimum required to form the BID. They completed their campaign with 80 percent of property owners within the district recording their support, and a unanimous vote by the Hudson Board of Selectmen to formally establish the BID.

BID PLAN

The BID budget is allocated to marketing, cultural programming and events, maintenance and beautification, infrastructure planning and business support. Initially, the BID focused on highly visible projects that could be quickly implemented to enhance the physical look of the district, including lighting, wayfinding, landscaping and cleanliness and other improvements. These first “wins” provided an immediate positive impact on the district. The BID has also been actively involved in the development of a rotary infrastructure project funded by MassWorks and the Town of Hudson that will become an attractive gateway to the district.

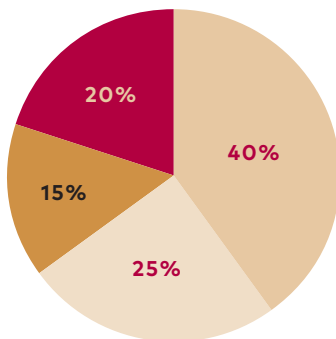
PRO TIP

STEERING COMMITTEE

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. In members’ words, this included “a bulldog, an organizer, a financial person and a visionary.”

EARLY HIGHLIGHTS

- **A Seat at the Table/Partnership with the Town of Hudson** The BID has established itself as the unified voice of downtown businesses and property owners and a partner with the Town on all significant issues impacting the BID. It serves as an effective advocate for the downtown and a liaison between the business, property owner, community, and Town administration. The BID feels this is a significant achievement and creates a powerful voice for the district’s property owners and tenants.
- **Enhanced Downtown Appearance** The BID has installed wayfinding signage, banners, hanging baskets, holiday lighting, benches and other physical enhancements to the district to create a more appealing experience for the visitors to downtown Hudson.
- **Rotary Gateway** The BID has been active in the design, implementation and communication to property owners and tenants on the the Gateway rotary project in downtown Hudson. These efforts help mitigate the disruption caused by construction by ensuring timely communication and execution of the project.
- **Business Support** The BID actively works with property owners to retain and recruit tenants. Vacancy rates fell from 11 percent to 5 percent since its inception in 2017.
- **Creating Collaborations** The BID has formed new collaborations with groups and organizations that were previously untapped resources. For example, the BID has partnered with the Rivers Edge Arts Alliance for the production of ArtsFest, a major cultural event in Hudson. Additionally, the BID has partnered with the Hudson Cultural Alliance to develop a plan to create a regional performing arts center in a century-old military armory located in the heart of the BID. These collaborations have enabled the BID to leverage resources and offer future opportunities.



BUDGET

Cultural place-making	40%
Marketing, arts and culture	25%
Advocacy/admin.....	15%
Infrastructure/parking.....	20%

COVID-19 RESPONSE

The Hudson BID quickly responded to the impacts of COVID-19 by connecting businesses and property owners to financial and technical assistance. The BID created a technical assistance program providing free advice from a financial expert who assisted businesses in preparing Payroll Protection Program (PPP) and other applications for financial relief. The BID reached out to every business located in the district to offer this assistance. Sixty percent of businesses in the Hudson BID took advantage of this free program. The BID was able to allocate its budget to procure services that were generously offered at a reduced rate by a local financial expert. The nimble response to the pandemic crisis is acknowledged by downtown businesses as being critical to helping them weather the pandemic crisis.



LESSONS LEARNED

- Accessing the Massachusetts Downtown Initiative (MDI) technical assistance grants provided the steering committee the technical support needed to facilitate the development of the BID Plan and orchestrate the legislative approval process.
- A strong steering committee comprised of property owners and other civic leaders in partnership with the town is essential to the success of developing a BID.
- A small BID, formed as a 501(c)3 can leverage BID fees, in-kind contributions, grants and other revenue streams to maximize a modest budget.
- A BID creates a strong, unified voice for the district.



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