

## CASE STUDY: BUSINESS IMPROVEMENT DISTRICT

# Village of Hyannis | Barnstable County, MA



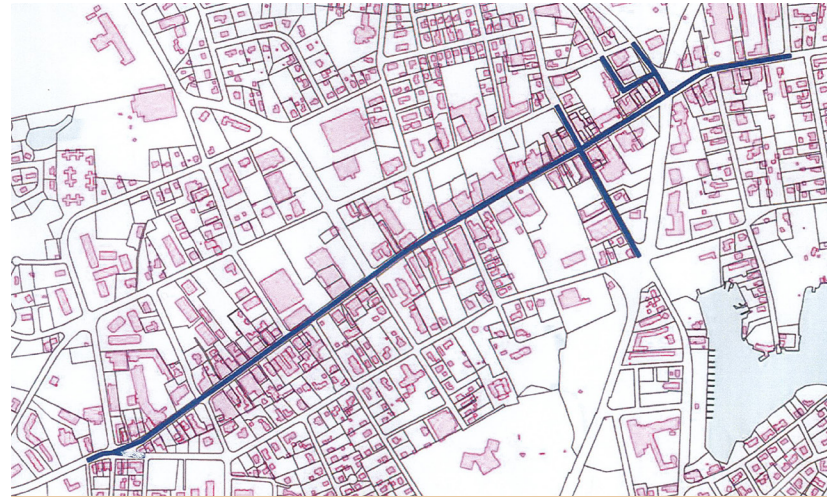
Population: 16,010  
Median household income: \$42,000



### DISTRICT OVERVIEW

If Hyannis, Massachusetts, is the capital of Cape Cod, its historic downtown is Cape Cod's Main Street; it bustles with hotels, shops, entertainment and restaurants, serving the thousands of seasonal visitors to the Cape and islands each summer. Hyannis, a village of Barnstable, is also a working downtown for year-round Hyannis residents. Families, residents, tourists, summer workers, and people of all backgrounds and ages frequent the downtown for services and entertainment. For over 20 years, the Hyannis BID has been the principal advocate for the downtown and has provided the creative marketing, sustained stewardship and supplemental programs needed to succeed. The BID partners with the HyArts Cultural District on cultural and community events and marketing activities produced in downtown Hyannis. The changing seasons create a boom-or-bust economy for local businesses and property owners. The Hyannis Main Street BID was established to help lead a downtown renaissance, create a stronger, year-round downtown economy and improve the physical appearance of Main Street for anyone who lives, works or visits. Over the years, the BID has helped enhance the appearance of downtown through maintenance and beautification. Additionally, the BID provides marketing, event programming and social services. More recently, the BID has taken a proactive role in efforts to create a robust retail mix in the district through retail analyses, strategic recruitment and marketing.

The Hyannis BID is the second oldest BID in Massachusetts and was formed as a 501(c)6 organization. In 2019, the BID added a Community Development Corporation (CDC) 501(c)3 into its organizational structure. The BID has an annual budget of \$300,000 with BID fees providing \$220,000 and grants and event revenue providing the balance. The new CDC enables the BID to do additional fundraising to augment the budget and access other sources of funding specifically targeted to new development opportunities. The BID is managed by an executive director and a 14-member



### THE BASICS

**Organizational Model** .....501c6, 1999; 501c3  
**Community Development Corporation, 2019**  
**Formally Authorized** ..... 1999; Renewal, 2023  
**Budget** ..... \$300,000  
**(Sources: BID fees, grants and event revenue)**  
**Property Parcels** ..... 110 votes, 133 properties

#### FEE FORMULA:

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

- All real properties are assessed at .003 percent X assessed value. Cap of \$4,000 on any property.
- Residential and nonprofit properties are exempt from the fee.

**Size: 82 acres**

#### VACANCY AND VALUE

**1999 Vacancy Rate in BID, 18%**  
**2019 Vacancy Rate in BID, 5%**  
**1999 Assessed Value in BID, \$60,000,000**  
**2019 Assessed Value in BID, \$107,000,000**

Board of Directors comprised of the steering committee and property owners in the district. The Hyannis BID Plan has evolved to reflect the changing opportunities and challenges faced by downtown property owners and merchants. Its early years focused on new streetscapes and marketing to expanded programs that include business recruitment, social services and real estate development.

### GOAL

The goal of the Hyannis BID is to promote the community and economic development of downtown Hyannis as a desirable place to live, work, invest and visit. This mission has guided the work of the Hyannis Main Street BID since its inception.

### THE PROCESS

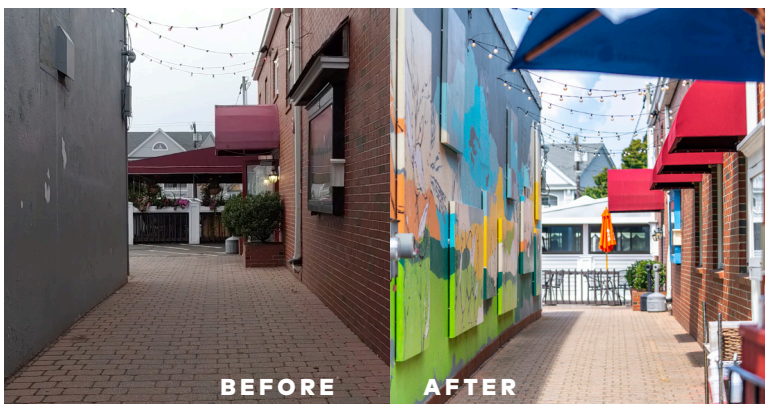
**History** In the late 1990s, a group of Hyannis Main Street property owners and businesses decided that downtown Hyannis required a new economic development strategy to fully realize its potential. Downtown faced several challenges, chief among them being that several key property owners were nearing retirement and lacked interest in new initiatives. Town zoning and policies needed updating to encourage new development. Cape residents and visitors had a negative perception of downtown Hyannis, and year-round businesses struggled to remain economically viable, particularly in the off-season.

Downtown stakeholders were searching for ways to encourage investment and increase property values. Multiple community-led efforts to support downtown organizations, funded by voluntary contributions and staff, ebbed and flowed over time due to lack of funding and professional staff. As a result, downtown revitalization efforts stalled. Bolstered by private leadership and a supportive Town government, downtown property owners and businesses were motivated to work to create a BID. Several major property owners and key businesses stepped up to lead the effort. They cemented a partnership between property owners, downtown businesses and leaders from the Chamber of Commerce and Town government to establish the BID and collaborate to develop a strategic Economic Development Plan for downtown Hyannis. The new BID was moved out of the auspices of the Chamber, and the respective organizations established defined roles that were complimentary and not competitive.

## PRO TIP

### STEERING COMMITTEE

A strong public/private partnership is needed to provide the driving force to form a BID. Identifying the appropriate private sector leadership from property owners, businesses, other stakeholders and key supporters from the municipality's administration is essential for a successful effort.



### BID PLAN

The initial BID Plan focused heavily on physical improvements and other visible activities. These included enhanced physical connections between Main Street and the harbor. For example, alleyways, pedestrian walkways and streetscapes were transformed with murals, decorative paving, lighting and landscaping to enhance the physical appearance of the downtown. The BID also created events and promotions, such as the Father's Day Car Show and Parade, Annual Cape Cod Maritime Festival, farmers market and Shop Local campaigns to market downtown Hyannis and maximize seasonal tourist spending. These activities created goodwill and positive feedback. As a result, the BID established itself as a professional and credible link between the downtown businesses and property owners and Town officials.

Once visible changes were in place, the BID Improvement Plan evolved to take on a robust partnership with Hyannis Town administration to identify and tackle regulatory obstacles that have stunted growth and investment downtown and create the basic tools to encourage development. The Town engaged economic development consultants to recommend policy changes, including zoning amendments, development incentives and permitting and outdoor dining bylaws to encourage investment and business growth in the downtown. The BID worked closely with the Town to build political support with property owners and businesses, which was critical in promoting change.



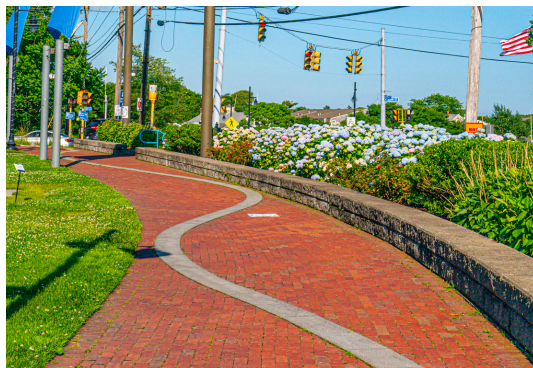
Equipped with new zoning, outdoor dining and strategies to encourage mixed-use development, the BID and Town actively worked to recruit new businesses, developers and investment into downtown Hyannis. More recently, the BID has identified the arts as a priority of its economic development strategy and spearheaded efforts to relocate the Cape Symphony to downtown Hyannis. The BID has also developed a partnership with property owners and the Chamber of Commerce to execute a retail recruitment strategy. The new BID CDC is partnering with the Housing Assistance Corporation (HAC) to explore the development of workforce housing in underutilized buildings in the BID. The BID also actively collaborates with social service providers and housing advocates to provide better services to the homeless community and people struggling with addiction. The BID continues to evolve to build community and support economic development in downtown Hyannis.

**20-YEAR HIGHLIGHTS**

For over two decades, the Hyannis BID has offered a wide range of supplemental programs and services that have transformed the physical, economic and overall community of the BID. The BID Plan has evolved over time to reflect the priorities of the district and respond to specific opportunities and challenges. The following are key achievements and ongoing programs of the BID:



**Capital Improvements** New downtown lighting, banners, wayfinding, enhanced walkways from Main Street to the harbor, public restrooms and garages, streetscape improvements, façade improvements, design for the Walkway by the Sea, park conversions and informational kiosks.



**Events and Marketing** Annually manage and produce dozens of events, branding, BID websites and social media, maps, cooperative advertising campaigns to maximize seasonal tourist business and extend season.

**Maintenance and beautification** Planters, flowers and plantings, seasonal street décor, power washing, litter removal, coordination with municipality for trash collection and Department of Public Works services and landscaping.

**Business development** Shop Local campaigns, free seasonal shuttle, farmers market, business recruitment programs and façade improvements.

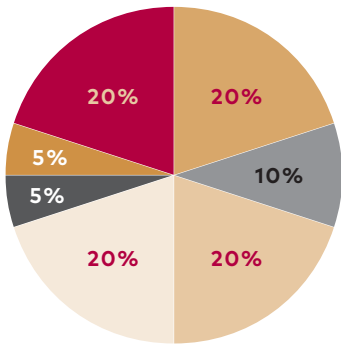
**Government relations** Advocacy by BID members on mixed-use zoning, outdoor dining ordinances, outdoor display regulations.

**Security and social issues** Surveillance cameras, improved services for those who are homeless, partnerships for outreach workers and enhanced police visibility in addressing security, vandalism and quality-of-life issues.

**Real Estate Development** The BID’s CDC arm will undertake development of underutilized properties in the BID.

## 1999 BUDGET

Capital improvements to streetscape design, signage, development.....	58%
Supplemental services, including maintenance, beautification, safety .....	15%
Administration / advocacy .....	27%



## 2020 CURRENT BUDGET

Marketing .....	20%
Arts .....	10%
Events .....	20%
Maintenance and beautification .....	20%
Business development .....	5%
Planning .....	5%
Safety .....	20%

## IMPACT BY THE NUMBERS

- Property values have doubled since formation.
- Increased tax revenues total \$7 million+ per year.
- Commercial expansion includes 120 new businesses—including 50 restaurants, municipal offices, a newspaper and a school, all within the BID
- Job creation is over 3,000 positions.

## COVID-19 RESPONSE



Summer is make-or-break for many businesses in downtown Hyannis. Despite the COVID-19 pandemic, tourists continue to come to the Cape and islands on vacation. In 2020, the BID quickly implemented strategies to maximize revenue in a critical season while keeping workers and visitors safe.

**Outdoor Dining** The BID worked closely with the Town to rapidly respond to restaurants' and retailers' need to expand outdoor dining options. Strategies included closing half of Main Street to vehicular traffic, investing in streetscape improvements, installing barriers, and expediting approvals to allow restaurants to expand businesses outside.

**Outdoor Events / Drive-in Movies** The BID transformed traditional summer events that brought people to the downtown through innovative and safely produced gatherings. Some examples included the production of drive-in movie nights, drive-by car shows and art exhibits. The BID is striving to continue to provide events for families and visitors to make Hyannis welcoming and safe for visitors and residents alike.



**Communications** The BID served as a point resource during the pandemic, providing information on support programs and business assistance related to COVID-19 through its website, mailings and outreach to businesses.

**Online Marketplace** The BID partnered with local merchants to support an online sales promotion for retailers on Facebook.

## LESSONS LEARNED

- **Adversaries can learn from one another by embracing each other's perspective.** The BID initially was at odds with social service providers over how to address quality-of-life issues, such as homelessness and drug addiction within the district. The BID pressed to relocate a homeless shelter out of the district before learning from healthcare providers that the strategy was not productive. Working together, the BID and social services providers explored successful models from other communities. A more comprehensive approach was developed to address the problems, and facets of it included converting the BID Ambassador program into a Community Service Officer and outreach worker program to provide better services to those in need. The BID evolved and formed deeper, more constructive and informed relationships. The BID also partnered with the HAC to explore the creation of much-needed affordable housing in the district.
- **A BID's organizational structure must be sufficient to meet the district's needs.** The Hyannis BID created a separate CDC, enabling the BID to address the problem of blighted or underutilized properties in the district. The new CDC unlocked additional funding that has been used to research the development of a blighted building into a mixed-use project, making a Hyannis Visitors Center and new worker housing in the BID fresh possibilities.
- **The BID Plan had to evolve to meet the needs of the BID and its stakeholders.** Hyannis has been successful because it could adapt to new challenges and opportunities.
- **The fee structure included a cap on fees that could be generated to support the BID programs.** Over the long term, the cap had a detrimental effect on the revenue available to support programs and services in the BID. When planning a BID, it is important to incorporate language in the fee structure to allow BID fees to grow over time.

## PRO TIP

### PLANS EVOLVE

Plans are dynamic and will change in response to new challenges and opportunities. The priorities of new BIDS may evolve as each entity matures. Successful BIDS will adapt and adopt new strategies based on its changing priorities.



Prepared for Mass Development by Ann McFarland Burke, consultant