

Downtown Boston Business Improvement District
Improvement Plan

This is the improvement plan, as that term is defined pursuant to Chapter 400 of the Massachusetts General Laws (“G.L. c. 400”), for the Downtown Boston Business Improvement District (the “BID”). All terms used herein, except as otherwise defined, shall have the meanings provided in G.L. c. 400.

I. Purpose of the BID

The purpose of the BID is to revitalize Downtown Boston and surrounding neighborhoods by bringing private management and resources to the maintenance and renewal of the streets and other public spaces. Targeting major pedestrian thoroughfares – Washington street, Summer/Winter streets, and Franklin street – the BID seeks to create a new sense of “place” downtown. The goal is to change the look and feel of the public spaces by cleaning, managing, and upgrading streets and sidewalks, adding landscaping, street furniture, decorations and activities, and coordinating and encouraging private investment to upgrade street-level uses. As in other cities across the country, the BID will seek to improve the experience for everyone who works, lives, visits, or goes to school downtown, to attract new businesses to the area, and to increase the value of all property types in the BID service area.

II. Management Entity

A private nonprofit corporation known as the Downtown Boston Business Improvement District Corporation (the “BID Corporation”) has been created to receive funds to carry out, implement, and oversee the purposes of the Downtown Boston Business Improvement District and this improvement plan. The BID Corporation shall be located in Boston, Massachusetts.

III. Supplemental Services and Programs

The BID Corporation shall provide, or cause to be provided, supplemental services and programs for and within the defined “BID District”. Such services may include the following (collectively, the “supplemental services”):

(a) Maintenance and Safety. Cleaning services, trash removal, street sweeping, sidewalk pressure washing, seasonal snow removal from pedestrian areas, landscaping, and removal of handbills, gum, and graffiti; collaborating with the Massachusetts Bay Transportation Authority to improve the grade-level appearance of transit stations; programs for code enforcement and property management; hiring and training uniformed ambassadors to answer questions, give directions, distribute maps, and act as “eyes and ears” for public safety officials; homeless outreach; and collaborating with social service organizations and others to address issues of homelessness and substance abuse.

(b) Physical Revitalization. Creating a sense of place and uniformity through branded banners and decorations, trash receptacles, plantings, signage, street furniture, and lighting; upgrading and maintaining landscaping, holiday decorations, and other improvements in and around the streets and other public areas; coordinating beautification activities in the area; reviewing and influencing proposed public improvements; and managing sidewalk vendors and

activities within the pedestrian zone.

(c) Promotion and Marketing. Coordinating and implementing district promotions, special events, and design improvements; advocating for property owners, tenants, and local businesses; working to upgrade the public and private spaces within the BID District with the City of Boston and its agencies; encouraging dialogue between businesses, tenants, residents, and property owners; promoting economic development through market analysis, business retention, and recruitment programs; and maintaining an internet presence for promotion, communication, and informational purposes.

(d) District Management Services. Establishing and funding a management operation to develop and implement supplemental services in the BID District, including administrative services, an office and operations center, communications resources, insurance, and all other administratively necessary or desirable functions and services.

(e) Coordination with Nonprofit Organizations. Developing collaborative relationships with nonprofit organizations within the BID District, and serving as a liaison between participating property owners and nonprofit organizations to further the purposes of the BID.

(f) Any other supplemental services that would further the purposes of the BID.

In furtherance of the provision of these supplemental services, the BID Corporation shall have all the rights and powers of a BID granted under G.L. c. 40O, §2. The supplemental services shall be provided in addition to the standard governmental functions, programs, activities, facilities, improvements, and other services which the City of Boston is authorized to perform (collectively, the “standard government services”). The nature and scope of the standard government services are detailed in a memorandum of understanding between the BID Corporation and the City of Boston.

IV. Fee Structure

Supplemental services within the BID District shall be funded primarily through special annual fees paid by the owners of all real property within the BID District except owner-occupied residential tax parcels (the “participating property owners”). All participating property owners shall pay an assessed fee, which shall be calculated on an annual basis in accordance with the formula set forth below, collected in quarterly installments by the City of Boston, and disbursed in full to the BID Corporation as provided in G.L. c. 40O, §8. The total revenue from the fees shall be used solely for the provision of the supplemental services.

No fee shall be assessed on owner-occupied residential tax parcels, and the owners of such parcels shall not be “participating property owners”. For purposes of this section, all one (1) to four (4) family residential properties and all residential condominium units situated within the geographic area of the BID District shall be deemed to be owner-occupied residential tax parcels.

The fee imposed on each tax parcel owned by a participating property owner shall be calculated based on (i) such tax parcel’s assessed value, as determined by the City of Boston Assessing Department, and (ii) the use of such tax parcel as follows:

(a) for taxable properties with an assessed value of \$70,000,000 or less, the fee shall

be \$1.10 per \$1,000 of assessed valuation;

(b) for taxable properties with an assessed value greater than \$70,000,000, the fee shall be \$1.10 per \$1,000 of assessed valuation up to \$70,000,000, plus \$0.50 per \$1,000 of assessed valuation over \$70,000,000;

(c) for properties owned by corporations and other entities organized pursuant to Chapter 121A of the Massachusetts General Laws, the fee shall be as described in subparagraphs (a) and (b) above;

(d) for charitable, religious, educational, government, and other properties exempt from taxation pursuant to Chapter 59 of the Massachusetts General Laws, the fee shall be as detailed in negotiated participation agreements, entered into from time to time between the BID Corporation and the owner of each such participating property, providing for contributions of cash and/or in-kind services to the BID Corporation;

(e) for commercial condominium units within a single condominium which have a combined assessed value greater than \$70,000,000, the fee shall be determined by allocating the \$70,000,000 threshold proportionately among the units, so that the aggregate fee is the same as if the units were taxed as a single tax parcel. For example, a condominium consisting of two units having assessed valuations of \$60,000,000 and \$40,000,000 would be assessed as follows: (i) the first condominium unit would be assessed at the rate of \$1.10 per \$1,000 of assessed valuation up to \$42,000,000 and \$0.50 per \$1,000 of the assessed valuation above \$42,000,000; and (ii) the second condominium unit would be assessed at the rate of \$1.10 per \$1,000 of assessed valuation up to \$28,000,000 and \$0.50 per \$1,000 of the assessed valuation above \$28,000,000; and

(f) for properties where the owner can demonstrate to the BID Corporation that a single building is on more than one tax parcel having the same owner, and where the combined assessed value of such tax parcels is greater than \$70,000,000, the fee shall be determined by allocating the \$70,000,000 threshold proportionately among the parcels, so that the aggregate fee is the same as if the parcels were assessed as a single tax parcel.

A portion of the BID District, comprised of the tax parcels listed below, has been identified as a transition zone to provide for an adjustment in the assessed fee if in the future the properties within that zone are also located in an adjacent business improvement district (an "Adjacent BID"). In the event that any of the transition zone properties are included in an Adjacent BID, the assessed fee otherwise due under this section for such properties shall be reduced by the amount of the annual assessment paid to the Adjacent BID, but such reduction shall not exceed one-half of the assessed fee otherwise due under this section. The transition zone properties are tax parcels 0304231000 (175 Federal Street), 0304233000 (Summer Street), 0304236000 (John F Fitzgerald XW), 0304237100 (Bedford Street), 0304245000 (89 Bedford Street), 0304246010 (1 Lincoln Street), 0304247000 (Lincoln Street), 0304247010 (Lincoln Street WS), 0304256000 (125 Summer Street), 0304258000 (17 South Street), 0304259000 (25 South Street), and 0304280000 (171 Summer Street).

In accordance with G.L. c. 400, §8, all fees billed by or on behalf of the BID and unpaid after thirty days from the date of billing shall become a lien on the property, which shall have priority over all other liens except as otherwise required by law.

V. Budget Structure

Revenues. The BID Corporation’s estimated annual revenues for its fiscal year ending June 30, 2017 are expected to be approximately \$5,770,000, broken down as follows:

Property Fees	\$5,420,000
Operations Revenue	\$150,000
Other Contributions and Revenues	\$200,000

Expenses. The BID Corporation shall undertake the supplemental services set out in this plan in accordance with a detailed operating budget established annually by the directors. The budget may include such reasonable reserves as the directors deem necessary, and annual expenditures shall be in accordance with the following percentage allocations:

Cleaning and Maintenance Programs	42%
Ambassador Hospitality Program	20%
Promotion, Events, and Communication	10%
Beautification and Capital Improvements	8%
Administration and Overhead	15%
Annual Priorities	5%

The actual annual budget for the BID will be dependent upon the assessed value of property within the BID district from year to year. The “Annual Priorities” budget category will be allocated by the directors as part of the annual budget, to reflect the board’s priorities for the particular year. For example, in the first year it is anticipated that this category would be applied toward equipment and cleaning, and in later years might be available for capital improvements and additional beautification.

The fiscal year of the BID shall be as determined by the Board, and, if necessary, the first year may be a partial year.

VI. Updating the Improvement Plan

The BID Corporation shall update or amend, pursuant to the requirements and limitations of G.L. c. 40O, this improvement plan periodically as it deems necessary, but not less often than once every three years. In the event of any inconsistencies between the provisions of this improvement plan (including any amendments or updates to this improvement plan) and G.L. c. 40O, the provisions of G.L. c. 40O shall be deemed to control to the extent of such inconsistencies; provided, however, that any such inconsistencies shall not impair or affect in any manner the validity, enforceability or effect of any other provisions of this improvement plan.

VII. Significant Financial Hardship Waiver

In addition to such other actions as may be approved by the Board from time to time, the BID Corporation may, solely at its discretion, temporarily waive or reduce the annual fee for any member for whom the imposition of such a fee would create a significant financial hardship due to exceptional circumstances, considering such criteria as:

- (a) Protection sought under the Massachusetts or federal laws of bankruptcy or

insolvency;

- (b) Foreclosure by a mortgage holder; or
- (c) Occupancy of less than 50% of usable space and area.

In the case of such a significant financial hardship, a participating property owner may petition the Finance Committee of the Board or such other committee as may be designated by the Board from time to time for temporary relief from the applicable fee. Such petition shall be in the form of a letter containing a description of the circumstances giving rise to the significant financial hardship, the relief requested and the name, telephone number and email address of a person to be contacted for further information concerning such hardship. The Finance Committee or such other committee, as applicable, will consider the request within thirty (30) days, and may grant or deny such request, or may partially grant such request by waiving a portion of the applicable fee. Any waiver or partial waiver shall apply only to a single fiscal year. A participating property owner may re-apply for subsequent fiscal years, following the procedures outlined above. The decision of the Finance Committee or other committee, as applicable, shall be final.

VIII. Five-Year Renewal

On or before the fifth anniversary of the date of the most recent renewal of the BID under G.L. c. 400, § 4 and thereafter on or before the fifth anniversary of the date of the then-most recent renewal of the BID under G.L. c. 400, § 4, the Board shall call a renewal meeting of the participating property owners to review the preceding five-year history of the BID, propose an updated improvement plan to succeed the then current improvement plan and consider whether to continue the BID. The Board will hold the renewal meeting at a location within the District during normal business hours, and notice will be given by mail, email, or other customary method of notification to participating property owners at least thirty days prior to the meeting.

The BID will be continued after each renewal meeting only if a majority of the participating property owners present at the meeting, or voting by proxy in accordance with procedures to be established in the BID Corporation by-laws for member meetings, and a majority of the Largest Owners (as defined below) present at the meeting or voting by proxy, elect to renew the BID for an additional five-year term. "Largest Owners" shall mean the owners of the seven participating properties in the District which paid the highest BID assessments during the preceding fiscal year, provided that if any of the properties on such list of seven are in common ownership (which shall mean at least 60% of the ownership interests in each building are under common control), only the largest of such common properties shall be included, so that the list of Largest Owners includes seven unaffiliated owners. The BID Corporation shall determine the list of Largest Owners prior to the meeting, and its determination shall be conclusive absent manifest error. For purposes of determining the list of largest owners, the BID Corporation shall consider multiple tax parcels located within the same condominium or building as one property in accordance with the provisions of section IV.

If the participating property owners do not elect to continue the BID, the Board will wrap up the business of the BID prior to the sixth anniversary of the BID's creation (or prior renewal, as the case may be) and proceed to discontinue the BID. Notice of the discontinuation vote will be given to the Boston City Council, which shall formally declare the BID dissolved as of such sixth

anniversary; provided, however, that the BID shall not be dissolved until it has satisfied or paid in full all of its outstanding indebtedness, obligations, and liabilities; or until funds are on deposit and available therefor; or until a repayment schedule has been formulated and approved by the City Council. The BID shall be prohibited from incurring any new or increased financial obligations after such sixth anniversary. Upon the dissolution of a BID, any remaining revenues derived from the sale of assets acquired with fees collected shall be applied to repay obligations of the BID and then to the improvement of the District in accordance with an improvement plan approved by the City Council.