



January 24, 2024

Representative Paul McMurtry, Co-Chair
 Senator Pavel Payano, Co-Chair
 Joint Committee on Community Development and Small Business
 24 Beacon Street
 Boston, MA, 02133

Re: H.228/S.130— An Act to Promote Downtown Vitality

Dear Chairs McMurtry and Payano, and members of the Committee,

We, the undersigned mayors and managers of Gateway municipalities, ask you to report out favorably *An Act to Promote Downtown Vitality* (H.228/S.130) filed by Rep. Antonio Cabral and Sen. John Cronin, with the support of the Gateway Cities Legislative Caucus.

Small businesses districts in communities across the commonwealth need vibrant, walkable areas to attract enough foot traffic to succeed in today’s challenging commercial environment. Online retail and big box stores have siphoned dollars away from local economies, contributing to economic and cultural displacement. *An Act to promote downtown vitality* (H.228/S.130) seeks to reinvest 5% of remote retailer tax revenue back into our main streets and downtowns, helping to level the playing field by supporting district management.

Massachusetts has the foundation for small business success, with unique and walkable historic areas, urban squares, town centers, and rural villages. Yet we have lacked the governance models and financing structures to manage these places for 15-hour use, 7 days a week. That is changing. A burgeoning network of Business Improvement Districts (BIDs) has emerged over the last five years, and dozens of Cultural Districts have been established. Parking Benefit Districts represent a new management tool, and innovative public-private-civic partnerships have arisen.

However, other than MassDevelopment's Transformative Development Initiative (TDI) in Gateway Cities, the state has not been a strong partner in these efforts. Even TDI remains a temporary three-year intervention with no self-sustaining district management entity once the TDI Fellow's contract ends.

The Downtown Vitality Act would create a funding mechanism enabling all cities and towns in the commonwealth to benefit from district management tools—helping to cultivate thriving small business districts in every region of our state.

An Act to promote downtown vitality would transform our state into a national leader for supporting downtowns and main street areas. We can do this in a way that values and strengthens our state's diversity, builds entrepreneurship among immigrants and communities of color, and enhances cultural economic development and a unique sense of place.

We understand that the state's revenue picture has changed dramatically since the bill's successful hearing in October. However, we believe that is especially important to establish the Downtown Vitality Fund to help protect an essential component of our local tax base. Please see the attached analysis and recommendations from MassINC about the potential budgetary impact as currently written and how the Committee can refine the language to phase in the program in a manner that is more responsive to fiscal conditions.

We thank you for your consideration and look forward to further discussion on this matter. Please do not hesitate to contact us or André Leroux at aleroux@massinc.org for more information.

Thank you,

Cathleen DeSimone, Mayor of Attleboro
Felicia Penn, Town Council President, Barnstable
Robert F. Sullivan, Mayor of Brockton
Fidel Maltez, City Manager of Chelsea
John L. Vieau, Mayor of Chicopee
Paul Coogan, Mayor of Fall River
Samantha M. Squailia, Mayor of Fitchburg
Melinda E. Barrett, Mayor of Haverhill
Joshua A. Garcia, Mayor of Holyoke
Daniel P. Rourke, Mayor of Lowell
Jared Nicholson, Mayor of Lynn
Brian DePeña, Mayor of Lawrence

Dean Mazarella, Mayor of Leominster
Gary Christenson, Mayor of Malden
Neil Perry, Mayor of Methuen
Jon Mitchell, Mayor of New Bedford
Edward A. Bettencourt, Jr., Mayor of Peabody
Peter Marchetti, Mayor of Pittsfield
Patrick Keefe, Mayor of Revere
Dominick Pangallo, Mayor of Salem
Domenic J. Sarno, Mayor of Springfield
Shaunna O'Connell, Mayor of Taunton
Eric D. Batista, City Manager of Worcester