

## **Community Improvement Corporations**

Community improvement corporations (“CIC”s) are nonprofit corporations, created by statute as either economic development corporations or county land reutilization corporations (also known as land banks). One advantage to these types of corporations is that they may attract private capital, as these corporations are statutorily required to maintain the confidentiality of financial and proprietary information, as discussed in more detail in [Chapter 13](#).<sup>275</sup> Some may have tax-exempt status with the IRS. CICs can be funded through a variety of sources, including donations, membership fees, application fees, as well as through state and federal grants. CICs, through their governing boards, can contract with the federal government, the state or any political subdivision, county officers, and any other party, whether nonprofit or for-profit.<sup>276</sup> CICs may end up serving in a leadership role in some areas to promote local economic development initiatives.

To facilitate its purposes and generate revenue, CICs have broad authority, including borrowing money by means of loans, lines of credit, or any other financial instruments or securities. This borrowing may occur through issuing bonds, debentures, notes, or other evidences of indebtedness, whether secured or unsecured. The CIC may secure them by mortgage or other lien on its property.<sup>277</sup> CICs are often involved in acquiring, selling, or leasing property owned by political subdivisions that the local government wants to offer for development. Importantly, in order for a CIC to be able to sell real property transferred to it by a local government, the CIC must be designated an agency of that government, must have an agreement with that government, and may sell lands or interests in lands owned by that government entity.<sup>278</sup> Transactions can often occur through the CIC with fewer restrictions than governmental entities (for example, competitive bidding requirements).<sup>279</sup>

### **Economic Development Corporation**

Economic development corporations, the most common form of CIC, are formed to advance, encourage, and promote the industrial, economic, commercial, and civic development of a community.<sup>280</sup> An example of a CIC generating revenue for a project is the use of revenue bonds to finance the acquisition and construction of an office building containing rental space for physicians, dentists, a pharmacy, and a laboratory.<sup>281</sup>

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<sup>275</sup> R.C. 1724.11.

<sup>276</sup> R.C. 1724.02(A)(15).

<sup>277</sup> R.C. 1724.02(A)(1).

<sup>278</sup> 2014 Ohio Atty.Gen.Ops. No. 14-003.

<sup>279</sup> See, e.g., R.C. 307.86 (subjecting counties to competitive bidding requirements).

<sup>280</sup> R.C. 1724.01(B)(1).

<sup>281</sup> See *Cty. of Stark v. Ferguson*, 2 Ohio App.3d 72 (5th Dist. 1981).