

Economic Development 101
Tools in the Toolbox
Special Improvement Districts (SIDs)

Special Improvement Districts (“SIDs”)¹ create specifically defined areas within a township or municipality that want a higher level of services or public improvements than those traditionally available within the defined community. For this program, existing property owners are the driver. They petition the legislative authority to create the district. If approved, the property owners pay a special assessment – added to their annual tax bill – to pay for costs related to increased services and public improvements.

How to Create a SID:

To form a SID:

- At least 60% of landowners that front any public improvement (e.g., roads, alleys, etc.) within the district OR at least 75% of landowners within the proposed SID must petition the local legislative authority for its creation
 - If approved, the petition may include an initial plan for the public improvements to be completed within the district.
- Once the SID and initial plan are approved, the underlying government must levy a special assessment to pay for the costs of the initial plan.
 - The levy must be for no more than 10 years from the date of the plan’s approval.
 - The services or improvements included in the initial plan will be deemed a special benefit to property owners within the district.

Governance of a SID

Each SID must be governed by a board of trustees of a nonprofit corporation and may be governed by a nonprofit organization that owns property within the proposed district. If a nonprofit organization does not exist, one must be created in accordance with Ohio Revised Code 1702.201. This includes:

- Drafting of articles of incorporation that include:
 - The name of the district, including the name of each participating political subdivision.
 - A description of the territory of the district, with enough detail that a property owner may determine if their property lies within the district.
 - The process for amending the articles of incorporation.
 - The purpose for creating the district.
 - A description of how the district’s purpose improves its public health, safety, peace, convenience, and welfare.
- The board must have at least five directors.
 - The local legislative authority of each participating political subdivision must appoint at least one member.
 - The municipal executive of each municipal corporation in which the SID lies.
 - The remaining board members must be members of the district.

E-SID

Similar to the above, an Energy SID (E-SID) focuses on the utilization of PACE² financing with repayment through special assessment.

The structure is the same with the Columbus-Franklin County Financing Authority serving as the board that oversees the program in Central Ohio.

¹ For additional information, please review the State of Ohio Economic Development Manual, page 28-31

² To learn more about PACE, visit: <https://www.bricker.com/resource-center/pace-financing-resource-center>