

competitive selection unless otherwise exempted.¹⁸⁵ Port authorities, may, under cooperative agreements, procure goods and services for contracting subdivisions.¹⁸⁶

Special Improvement Districts

A special improvement district (“SID”) can be created when a community desires public improvements and services above and beyond those that are currently provided by the township or municipality.¹⁸⁷ Property owners can petition their local legislative authority to establish a SID.¹⁸⁸ If the petition is approved, the property owners within the district’s borders will pay special assessments (similar to and collected at the same time as taxes) to pay costs of services and public improvements in accordance with the SID plan.¹⁸⁹

To form a district, at least 60% of the owners of real property that fronts to any public improvement (e.g., roads, alleys, etc.) within the district must petition the local legislative authority for the SID.¹⁹⁰ Alternatively, at least 75% of the owners of the land area within the proposed SID must petition for its creation.¹⁹¹ Residents may submit the petition themselves, or a nonprofit corporation may do so. The petition may include an initial plan for the public improvements to be completed within the district.¹⁹²

Once the SID and initial plan are approved, each participating township and municipality must levy a special assessment to pay for the costs of the initial plan.¹⁹³ The levy must be for no more than 10 years from the date of the plan’s approval.¹⁹⁴ The services or improvements included in the initial plan will be deemed a special benefit to property owners within the district.¹⁹⁵ These services, however, must be in addition to any public improvements or services provided by participating political subdivisions.¹⁹⁶ Because a SID is not a political subdivision—it is a public agency and a public authority¹⁹⁷—participating subdivisions may not rely on it to provide basic services. This means that a political subdivision may not reduce or fail to increase

¹⁸⁵ R.C. 4582.12(A)(2)(a) and 4582.31(A)(18)(b)(i).

¹⁸⁶ R.C.4582.12(A)(2)(a) and 4582.31(A)(18)(b)(i); *see also* R.C. 4582.17(B) and 4582.431(B).

¹⁸⁷ R.C. 1710.02(A).

¹⁸⁸ *Id.*

¹⁸⁹ R.C. 1710.02(F); *see also* R.C. 1710.06.

¹⁹⁰ R.C. 1710.02(E).

¹⁹¹ *Id.*

¹⁹² R.C. 1710.02(F).

¹⁹³ *Id.*

¹⁹⁴ *Id.* (stating that plans including special energy improvement projects may be for longer durations).

¹⁹⁵ *Id.*

¹⁹⁶ R.C. 1710.08.

¹⁹⁷ R.C. 1710.02(B).

any public improvements or services provided or to be provided by the participating political subdivision.¹⁹⁸

Each SID must be governed by a board of trustees of a nonprofit corporation.¹⁹⁹ If a nonprofit organization owns property within the proposed SID, their board may govern the district. This role may be supplemental to their charitable purposes.²⁰⁰ If a nonprofit organization does not exist, one must be created in accordance with Revised Code Chapter 1702.²⁰¹ The nonprofit organization must draft 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 sufficient specificity that a property owner may determine if their property lies within the district;
- the process for amending the articles of incorporation;
- the purpose in creating the district; and
- a description of how the district's purpose improves its public health, safety, peace, convenience, and welfare.²⁰²

The board must have at least five directors.²⁰³ 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 must also serve as a member.²⁰⁴ The remaining board members must be members of the district.²⁰⁵ Each property owner within a SID is a member of the district.²⁰⁶ No parcel of real estate may be included in more than one district, unless the owner of the property files a written consent.²⁰⁷

If an initial plan was not submitted with the petition to create the SID, the board of directors must then create and implement an improvement plan in line with the property

¹⁹⁸ R.C. 1710.08.

¹⁹⁹ R.C. 1710.02(A).

²⁰⁰ *Id.*

²⁰¹ R.C. 1710.02(D).

²⁰² R.C. 1710.02(D)(1)-(4).

²⁰³ R.C. 1710.04(A).

²⁰⁴ *Id.*

²⁰⁵ *Id.*

²⁰⁶ R.C. 1710.03(A); see R.C. 1710.06(C) (requiring a special assessment on all real property within the SID).

²⁰⁷ R.C. 1710.02(A).

owners' wishes.²⁰⁸ The board may develop one or more improvement plans that benefit all or any part of the district.²⁰⁹ Each improvement plan must set forth the specific public improvements or public services to be provided, the area the services will be provided to, and the method of assessment to be used.²¹⁰ Each plan must also indicate the time period assessments are to be levied and, if public services are included in the plan, the period of time the services are to remain in effect.²¹¹ Plans for public improvements may include the planning, design, construction, reconstruction, enlargement, or alteration of any public improvements, and the acquisition of land for the improvements.²¹² Revised Code 1710.07 details what may be included in the cost of any public improvements or public services plan of a SID.

The board must submit each new plan to the appropriate legislative and executive authorities, which may review the plan and submit comments and recommendations about it to the SID.²¹³ After reviewing these comments and recommendations, the board of directors may amend the plan.²¹⁴ The board may then submit the plan, amended or otherwise, as a petition to members of the district whose property may be assessed for the plan.²¹⁵ Once the petition is signed by those members who own at least 60% of the front footage of property that is to be assessed under the plan, it may be submitted to each legislative authority for approval.²¹⁶ Each legislative authority is required to approve or reject the petition within 60 days after receiving it.²¹⁷ If the petition is approved by the legislative authority of each participating political subdivision, the plan contained in the petition will be effective according to statute.²¹⁸ Then the board must carry out the improvement plan. To achieve this goal, the board may operate like any corporation formed under Revised Code Chapter 1702, which includes the authority to contract with entities and convey property on behalf of the property owners.²¹⁹ A participating political subdivision of a SID may also issue bonds and notes in anticipation of collecting the special assessments.²²⁰

²⁰⁸ For an example of a SID improvement plan, see SID Services Plan 2011–2015, Downtown Dayton Special Improvement District, <http://www.downtowndayton.org/pdfs/SIDServicesPlan20112015.pdf>.

²⁰⁹ R.C. 1710.06(A).

²¹⁰ *Id.*

²¹¹ *Id.*

²¹² *Id.*

²¹³ R.C. 1710.06(B).

²¹⁴ *Id.*

²¹⁵ *Id.*

²¹⁶ *Id.*

²¹⁷ *Id.*

²¹⁸ *Id.*

²¹⁹ R.C. 1710.02(G).

²²⁰ R.C. 1710.12.

More than one SID may be created within a participating political subdivision, but all territory in a district must be contiguous.²²¹ The only exception is if all parcels within the SID contain at least one special energy improvement.²²² Church and public property, including federal, state, and local lands, cannot be included in a SID unless the religious or public institutions specifically request in writing that the property be included. Religious and public property may also be included in a SID if the property owner is a member of the existing qualified nonprofit corporation creating the district.²²³

One particular type of SID, Energy Special Improvement Districts (“ESIDs”), are created to offer property owners financing to install photovoltaic (PV) or solar-thermal systems on real property. ESIDs are discussed in more detail in Chapter 9.

Cleveland has created a SID covering more than 250 properties in its downtown area. Established in 2004, the SID—which is slightly smaller than the boundaries of the downtown region—covers the Historic Gateway Neighborhood, the Historic Warehouse District, Playhouse Square, Flats Oxbow, and the Campus District. Property owners within these areas have contracted with the Downtown Cleveland Alliance (“DCA”), a nonprofit corporation, to manage the SID as mandated in Revised Code 1710.02(A). In addition to special assessments on property owners within the SID, local business owners and philanthropic organizations have contributed additional funds to improve the safety and cleanliness of the downtown region.²²⁴ To achieve this goal, DCA operates the Ambassador Program. DCA Ambassadors, dressed in bright yellow shirts, are dispatched nearly 24 hours a day throughout downtown. These ambassadors clean streets, collect trash, remove graffiti, perform safety patrols, and provide social services to the homeless.²²⁵ The Ambassador Program has helped to make downtown Cleveland a safer, more beautiful area for residents and visitors.

SIDs are valuable tools that cities can utilize to improve central business districts. SIDs can be easily tailored to meet the needs of the communities they cover, making them useful tools for any sized community.

Community Urban Redevelopment Corporations

Municipal corporations may create community urban redevelopment corporations (“CURC”s) to target blighted areas of their communities. They are either for-profit or nonprofit

²²¹ R.C. 1710.02(A).

²²² *Id.*

²²³ *Id.*

²²⁴ See Downtown Cleveland Alliance, Become a Member, www.downtowncleveland.com/get-involved/dca-membership.aspx.

²²⁵ See Downtown Cleveland Alliance, Ambassador Impact, www.downtowncleveland.com/ambassadors/ambassador-impact.aspx.