

**Special Improvement Districts (SIDs)**  
City of Columbus Department of Development  
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This document defines a series of policies approved by the Department of Development for the formation of Special Improvement Districts (Ohio Revised Code 1710), as well as a recommended process for their creation. It serves as a handbook to business and property groups interested in creating a SID. It is strongly recommended that early meetings are held with staff prior to submittal of the petition.

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- **Introduction**

The City of Columbus Department of Development has developed this policy manual to be used by community development corporations, business associations, and property owners interested in forming a Special Improvement District (SID). It provides the basic information necessary to establish a SID in the City of Columbus.

Forming a SID is a multi-step process that is dictated by both state and local laws. Following the procedures outlined will help to ensure that the proposed SID complies with the requirements of all applicable laws; however, it is not the purpose of this manual to give legal advice or to substitute for obtaining an attorney. The manual is designed to allow the user to generally understand the administrative and legislative steps that need to take place to get a SID created. Following the suggested steps will help to ensure that a SID can be put in place with a minimum of delays and surprises.

As with any manual of this nature; however, it is impossible to cover every scenario that may emerge with each SID proposal. It is in the SID's best interest and strongly recommended to retain its own legal advisor. Furthermore, additional review and analysis by various City departments may be necessary beyond those described in this manual.

- **SID Defined**

A Special Improvement District (SID) is an economic tool which allows property owners and merchants within a defined geographical boundary to band together to use the City's assessment powers to assess themselves. This "self-assessment" is used by the property owners to maintain and improve their District.

The assessment funds are collected by the Franklin County Auditor's Office along with property taxes, forwarded to the City and turned over to the SID. The funds are typically used to fund supplemental services including: security, maintenance, sanitation, marketing and promotion, etc. In some cases, capital improvements are funded, including: streetscape enhancements, landscaping, decorative lighting, brick pavers, etc.

These services and capital improvements funded by the SID are in addition to those normally provided by the City.

- **City Responsibility**

- **Review** – The City is responsible for the review and approval of SID boundaries, the Articles of Incorporation, the Plan of Services, and the Petition to Create a SID.
- **Legislation** – The City is responsible for the required legislative processes needed for the formation of a SID, for the approval of the Plan of Services and to levy the assessment.
- **Oversight** – The City is responsible for the disbursement of funds to the SID. By law, the City must be represented on the Board of Directors of the SID. This designee is able to act as a liaison between the City and the SID.
- **City Policy/Commercial vs. Residential**

Currently the City of Columbus has four active SIDs, each serving an area of the City that has struggled to realize substantial commercial and office revitalization through purely private sector investment. In some areas, the SID still serves as the primary form of investment for the infrastructure, maintenance and improvements of these corridors. For others where renewal has taken hold, the SID provides resources to build on and compliment the investments of other area stakeholders and the City.

The success of these Districts has been due in part to an ongoing partnership and dialogue with the City. Each SID is unique, in needs, budget and constituents served. One of the first steps is for Development staff to meet with representatives of a proposed District to create a scope of services that:

- Compliments and/or leverages improvements and programming that are already being undertaken by the City.
- Does not conflict with any infrastructure improvements that are already in the planning stage.
- Is commensurate with the revenue collected.
- Has a boundary containing a ratio of at least 50% commercial property owners.

- **SID Formation**

The following are the key steps:

- Engage prospective property owners
- Establish boundaries
- Create the petition
- Create the Articles of Incorporation
- Create the Scope of Services

- **SID Revenues vs. SID Budget**

After the petitioner has an idea of the type of revenues that can be generated by our SID, the petitioner should begin to look at the type of services that are appropriate to the district. The types of services that are allowed by law include, but are not limited to: security, marketing, and street and sidewalk cleaning. Infrastructure improvements are also allowable; however, such improvements are often very expensive. SIDs are advised to wait until they have been operating a while before taking on infrastructure improvements.

## **VII.Considerations before Petitioning**

- It is strongly advised that petitioners meet with the City representatives in the earliest stage of the formation of a SID. City Departments such as Planning, Economic Development and Public Service can guide and provide valuable information to the perspective SID petitioners.
- There is much to consider when setting the boundaries. State law requires 60% of the front footage or 75% of the land area property owners, within the proposed district, sign a petition supporting the creation of a SID. Therefore, consensus and vision among the district's property owners is vital.
- A SID can be a valuable economic tool for a district or area that has determination and vision. The City of Columbus is a willing partner to aid in the development of a district's unique vision and dreams.
- For questions related to the creation of a SID, contact Lee Hennick of the Economic Development Division of the Department of Development at [lwhennick@columbus.gov](mailto:lwhennick@columbus.gov) or (614) 645-8031.