

## Compendium 11

# Governance White Paper Summaries

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## Council of Governments (ORC 167)

**Summary of the Ohio Revised Code language:** Established in 1967, governing bodies of any two or more counties, municipal corporations, townships, special districts, school districts, or other political subdivisions may enter into an agreement with each other, or with the governing bodies of any counties, municipal corporations, townships, special districts, school districts or other political subdivisions of any other state to the extent that laws of such other state permit, for establishment of a regional council consisting of such political subdivisions.

A COG shall have the power to: Study such area governmental problems common to two or more members as it deems appropriate, including but not limited to matters affecting health, safety, welfare, education, economic conditions, and regional development; Promote cooperative arrangements and coordinate action among its members and other agencies of local or state governments, whether or not within Ohio, and the federal government; Make recommendations for review and action to the members and other public agencies that perform functions within the region; Promote cooperative agreements and contracts among its members or other governmental agencies and private persons, corporations, or agencies and may acquire, establish, manage, or operate a separate business entity, including a corporation, company, organization, partnership, or trust. They may act as an areawide agency to perform comprehensive planning for the programming, locating, financing, and scheduling of public facility projects within the region and affecting the development of the area and for other proposed land development or uses, which projects or uses have public metropolitan wide or interjurisdictional significance

The council may employ such staff and contract for the services of such consultants and experts, and may purchase or lease or otherwise provide for such supplies, materials, equipment, and facilities as it deems necessary and appropriate in the manner and under procedures established in the by-laws of the council.

**Use in Ohio:** There are approximately 151 Councils of Government in Ohio.

**Similar uses:** Northwest 33 Innovation Corridor Council of Governments

**Authorized sources of revenue:** The council may establish schedules of dues to be paid by its voting members to aid the financing of the operations and programs of the council in the manner provided in the agreement establishing the council or in the by-laws of the council. A “qualified council” may sell bonds as special obligation securities.

**Approximate funding generated:** Unknown

**Governance Structure:** If the agreement establishing the council does not set forth the manner for determining representation such representation shall consist of one representative from each county, municipal corporation, township, special district, school district, or other political subdivision entering into the agreement, or subsequently admitted to membership in the council.

**Sources:**

<https://codes.ohio.gov/ohio-revised-code/chapter-167>

<https://ohioauditor.gov/local/cog/default.html>

<https://www.regionalcouncils.org/>

## Joint Economic Development Districts (JEDDs) (ORC 715)

**Summary of the Ohio Revised Code language** In 1993, the Ohio General Assembly passed legislation enabling local communities to create special-purpose districts known as Joint Economic Development Districts (JEDDs).

A JEDD is a special-purpose territorial district created by contract between municipal corporations and townships for the purpose of encouraging economic development, creating jobs, and improving the economic welfare of citizens. Typically, such objectives are accomplished by levying an income tax in the district. The tax revenue is shared by the parties to the JEDD and is used to provide additional services, new facilities or enhanced infrastructure in the JEDD, depending on the terms of the contract. The district shall not exceed two thousand acres in area. The territory of the district shall not completely surround territory that is not included within the boundaries of the district.

A JEDD is formed when a township and a municipal corporation enter into a JEDD contract and adopt legislation approving the terms of the contract. ORC 715.72 provides that the JEDD contract: Shall specify the contributions to be made by each party to develop and operate the district; May provide for the parties to share tax revenue and costs; shall include an economic development plan, consisting of a schedule for the provision of new or expanded services, facilities, or improvements; shall designate a procedure for appointing members to the board of directors and shall enumerate their powers, duties, and functions; may grant the board of directors the power to levy an income tax.

**Use in Ohio:** There are approximately 30 JEDDs in Ohio.

**Similar uses:** TBD

**Authorized sources of revenue:** Income Tax levied within the boundaries of the JEDD, in essence, extending an income tax into township areas which are not normally subject to an income tax.

**Approximate funding generated:** Unknown

**Governance Structure:** Generally, if businesses operate within a JEDD, the JEDD is governed by a five-person board, with one person representing each of the following interests: all municipalities that are contracting parties; all townships that are contracting parties; the owners of businesses located within the JEDD; all persons working within the JEDD; the counties, if any, that are contracting parties.

**Sources:**

<https://www.bricker.com/people/robert-mccarthy/insights-resources/publications/jedds-remain-a-flexible-powerful-tool-for-promoting-development>

<https://ohioline.osu.edu/factsheet/cdfs-1560>

## **Municipal Utility (Section 4, Article XVIII, Ohio Constitution, ORC 743, ORC 4905 )**

**Summary of the Ohio Revised Code language:** On the written request of any number of citizens living outside the limits of a municipal corporation, the municipal corporation may extend, construct, lay down, and maintain aqueduct and water pipes, and electric light and power lines outside the municipal corporation, and for such purpose may make use of such of the public streets, roads, alleys, and public grounds as are necessary therefor.

A municipal corporation which has water works or electric works may contract with any other municipal corporation to supply it or its inhabitants with water or electricity upon such terms as are agreed upon by their respective legislative authorities.

**Use in Ohio:** There are approximately 84 municipal utilities in Ohio.

**Similar uses:** Some cities have utilized municipal utility authority to create broadband and ISP networks, however, no one has utilized the authority to create a multipurpose district like the LIVE Zone.

**Authorized sources of revenue:** Fees for energy used and ancillary services.

**Approximate funding generated:** Over \$1 Billion annually in electricity and approximately \$50 million annually in natural gas.

**Governance Structure:** The legislative and executive bodies of a municipality. There is no provision for multi-community entities, only the ability of one municipality to contract with neighboring communities.

### **Sources:**

<https://codes.ohio.gov/ohio-revised-code/chapter-743>

<https://codes.ohio.gov/ohio-revised-code/section-4905.03>

<https://www.publicpower.org/public-power-ohio>

<https://www.amppartners.org/about/omea>

<https://www.census.gov/data/tables/2017/econ/gov-finances/summary-tables.html>

## **Port Authority (ORC 4582 & Sections 13 and 16 of Article VIII, Ohio Constitution)**

**Summary of the Ohio Revised Code language** regarding the mechanism 4582.02- 4582.59

First Established in 1955, Port Authorities support activities that enhance, foster, aid, provide, or promote transportation, economic development, housing, recreation, education, governmental operations, culture, or research within the jurisdiction of the port authority. Port authorities can be involved in a wide range of economic development projects, including retail or public improvement projects, but their mainstay is a focus on the development of water ports, airports, intermodal rail, and truck facilities, industrial parks, and creative financing to attract and retain businesses. Any municipal corporation, township, county, or any combination of a municipal corporation, municipal corporations, township, townships, county, or counties, none of which was included in a port authority in existence on December 16, 1964, may create a port authority. Contiguous communities may join after the Authority is created.

The area of jurisdiction of a port authority created in accordance with section 4582.02 of the Revised Code shall include all of the territory of the political subdivision or subdivisions creating it, provided that in no case other than as may result from the determination of a port authority under division (C) of section 4582.201 of the Revised Code to change the provisions of Chapter 4582. of the Revised Code that govern its operation, shall the same area be included in more than one port authority, however, Port leadership can enter into contracts to undertake projects outside of their individual port authority's boundaries. This could benefit a rural area with few active projects or with limited financial resources instead of forming a separate entity, they could partner with an existing port authority.

**Use in Ohio:** There are approximately 60 Port Authorities in Ohio. Seven of them are recreational only, not used as economic development organizations.

**Similar uses:** TBD

**Authorized sources of revenue:** Property Tax. May issue bonds. They may set rates and charges for use of port authority facilities.

**Approximate funding generated:** Billions of Dollars

**Governance Structure:** Board of Directors appointed by the member communities. The number of Directors shall be made by agreement. The Board may hire staff, including Special Police Officers.

**Sources:**

<https://codes.ohio.gov/ohio-revised-code/section-4582.02>

<https://ohioline.osu.edu/factsheet/cdfs-1567#:~:text=The%20first%20Ohio%20port%20authority,a%20navigable%20body%20of%20water.>

<https://www.ohioportauthorities.com/>

## Regional Transportation Improvement District (ORC 5540)

**Summary of the Ohio Revised Code language:** First authorized in 1993, A transportation improvement district may be created by the board of county commissioners of a county. A transportation improvement district is a body both corporate and politic, and the exercise by it of the powers conferred by this chapter in the financing, construction, maintenance, repair, and operation of a project are and shall be held to be essential governmental functions.

A TID may purchase, construct, maintain, repair, sell, exchange, police, operate, or lease projects. Subject to section 5540.18 of the Revised Code, enter into an agreement with a contiguous board of county commissioners other than the board of county commissioners that created the transportation improvement district, for the district to exercise all or any portion of its powers with respect to a project that is located wholly or partially within the county that is party to the agreement. All or a part of the costs and expenses of providing for the construction, reconstruction, improvement, alteration, or repair of any improvement may be paid from a fund into which may be paid special assessments levied under this section against the lots and parcels of land in the area to be benefited by the improvement.

**Use in Ohio:** 52 RTIDs and TIDs

**Similar uses:** Hamilton County TID

[https://www.hamiltoncountyohio.gov/government/departments/engineer/transportation\\_district](https://www.hamiltoncountyohio.gov/government/departments/engineer/transportation_district)

**Authorized sources of revenue:** May sell TID Revenue Bonds or Bonds under Section 13 Article VIII of the Ohio Constitution. May also establish and collect tolls or user charges for projects. The board may levy special assessments at an amount not to exceed ten per cent of the assessable value of the lot or parcel of land being assessed. Registered TIDs are eligible for up to \$500,000 in designated state funding which is administered by the Office of Jobs and Commerce within ODOT.

**Approximate funding generated:** Billions of dollars

**Governance Structure:** Voting members- Two members appointed by the board of county commissioners; Three members of the most populous city; Two members appointed by the second most populous city; Two members appointed by the most populous township; The county engineer; One member appointed by any township or city that cannot otherwise appoint a member to the board. Alternatively- Five members appointed by the board of county commissioners.

**Sources:**

<https://www.transportation.ohio.gov/programs/jobs-commerce/03-transportation-improvement-districts>

<https://codes.ohio.gov/ohio-revised-code/section-5540.02>

<https://www.keglerbrown.com/tids/>

## **Special Improvement Districts (SID) (ORC 1710) and Energy Special Energy Improvement Districts (ESID)**

**Summary of the Ohio Revised Code language:** First authorized in 2000, a district may be created within the boundaries of any one municipal corporation, any one township, or any combination of municipal corporations and townships within a single county, or counties that adjoin one another, for the purpose of developing and implementing plans for public improvements and public services that benefit the district. Property owners pay an additional tax or fee designated for specific services or improvements within the district's boundaries.

Creation is initiated in one of two ways: (1) owners of at least 60 percent of the front footage (excluding church or government property) petition the appropriate legislative authority, or (2) owners of at least 75 percent of the land area within the proposed SID petition the appropriate legislative authority. Note, however, SIDs created for the purpose of developing and implementing plans for special energy improvement projects require petitions signed by **all** property owners within the SID area. By resolution, the legislative authority approves or disapproves the petition and articles of incorporation within 60 days.

The district shall be governed by the board of trustees of a nonprofit corporation. This board shall be known as the board of directors of the special improvement district. A church or the county, township, or municipal corporation must specifically request in writing that the property be included within the district.

Property Assessed Clean Energy (PACE) financing involves public-private cooperation between a property owner, a lender, a municipal corporation or township and an energy special improvement district (ESID). The lender makes a loan to the property owner for the property owner to undertake solar photovoltaic, solar thermal, geothermal, wind, biomass, gasification and energy efficiency projects. The loan can take a variety of forms, and the lender can be either a public or private entity. The municipal corporation or township where the property is located is automatically part of the ESID when it approves the ESID's formation or the addition of property to it.

**Use in Ohio:** There are 23 Special Improvement Districts and Dozens of Energy Special Improvement Districts (ESIDs) in Ohio.

**Similar uses:** Northwest Ohio Advanced Energy Improvement Districts

**Authorized sources of revenue:** Special assessments which are tied to property tax bills. The revenue can be used to finance loans and bonds.

**Approximate funding generated:** TBD

**Governance Structure:** Board of directors consisting of at least five directors. One person appointed by the legislative authority of each participating political subdivision and the municipal executive of each municipal corporation within the boundaries of the special improvement district. The remainder of the board's members shall be members of the district.

**Sources:**

<https://codes.ohio.gov/ohio-revised-code/chapter-1710>

<https://ohioline.osu.edu/factsheet/CDFS-1566>

<https://www.msconsultants.com/ohio-special-improvement-districts-collaborating-for-better-communities/>

<https://www.toledoport.org/services/energy-finance/betterbuildings-northwest-ohio/energy-special-improvement-district/>

<https://www.bricker.com/resource-center/pace-financing-resource-center/publications/property-assessed-clean-energy-pace-financingthe-ohio-story>



## Tax Increment Financing and Incentive District TIFs (ORC 5709)

**Summary of the Ohio Revised Code language** regarding the mechanism 5709.40(I), 5709.41(E), 5709.73(I), and 5709.78(H)

First established in 1976, TIFs are implemented at the local level and may be created by a township, municipality or county. Local jurisdictions seeking to establish a TIF project must enact legislation that (a) designates the parcel(s) to be exempted from taxation, (b) declares improvements to private property within the specified area as serving a public purpose, (c) delineates the public infrastructure improvements to be made that will directly benefit the parcel and (d) specifies the equivalent funds to be created for those redirected monies.

Only those public infrastructure improvements directly serving the increased demand arising from the real property improvements to the parcel(s) or an Incentive District are eligible for TIF financing. Local governments may authorize TIFs to fund a number of infrastructure needs including public roads and highways, water and sewer lines, remediation, land acquisition, demolition, the provision of gas, electric, and communications service facilities, and the enhancement of public waterways. TIFs exempting greater than 75% of the value of the proposed improvement must be approved by affected boards of education. If a TIF proposes an exemption of greater than 75% and/or a term greater than 10 years, the local jurisdiction must notify the county and may be responsible for compensation to the county. TIFs and TIF Districts are limited to less than 300 contiguous acres and a maximum term of 30 years.

**Use in Ohio:** There are approximately 1,850 active TIFs in place in Ohio.

**Similar uses:** There are no known TIFs operating with the complexity and number of planned improvements similar to the LIVE Zone.

**Authorized sources of revenue:** A TIF works by locking in the taxable worth of real property at the value it holds at the time the authorizing legislation was approved. Payments derived from the increased assessed value of any improvement to real property beyond that amount are directed towards a separate fund to finance the construction of public infrastructure defined within the TIF legislation

**Approximate funding generated:** Unknown. Across the 1,850 active TIFs, they each are recorded and valued by the local government and the county auditor, however, no entity is responsible for compiling their combined value.

**Governance Structure:** There is no governance structure. TIFs are created through local legislation and value/payments are tracked by each county auditor. The Ohio Department of Development requires the filing of an annual letter by each TIF jurisdiction but does not publish compiled information.

### Sources:

<https://development.ohio.gov/business/state-incentives/tax-increment-financing>

[https://www.columbus.gov/development/economic-development/Tax-Increment-Financing-](https://www.columbus.gov/development/economic-development/Tax-Increment-Financing-FAQs/#:~:text=There%20are%20approximately%201%2C850%20active,which%20was%20established%20in%201996.)

[FAQs/#:~:text=There%20are%20approximately%201%2C850%20active,which%20was%20established%20in%201996.](https://www.columbus.gov/development/economic-development/Tax-Increment-Financing-FAQs/#:~:text=There%20are%20approximately%201%2C850%20active,which%20was%20established%20in%201996.)

[https://www.cdfa.net/cdfa/cdfaweb.nsf/ord/21d888e22f58deb188257936006740f6/\\$file/ohio%20tif%20fact%20sheet.pdf](https://www.cdfa.net/cdfa/cdfaweb.nsf/ord/21d888e22f58deb188257936006740f6/$file/ohio%20tif%20fact%20sheet.pdf)