



**1. Initiation**

- a. Neighborhood requests a TIF District or the City Administration identifies an area that merits consideration of a TIF District due to public infrastructure or housing needs.

**2. Determination of Eligibility**

- a. Area Eligibility – To create a TIF District, the area must exhibit one or more “distress characteristics” set under state law (ORC 5709.40(A)(5)). Following are some examples of these distress characteristics:

- i. At least fifty-one per cent of the residents of the district have incomes of less than eighty per cent of the median income.
  - ii. Average rate of unemployment in the district during the most recent twelve-month period for which data is available is equal to at least one hundred fifty per cent of the average rate of unemployment in the state.
  - iii. At least twenty per cent of the people residing in the district live at or below the poverty level.
- b. Eligibility based on further study – An area’s eligibility may require further research to be conducted by the City Administration including Planning, Buildings, DCED, and DOTE.
  - i. Study of Infrastructure as part of an Economic Development Plan or Urban Renewal Plan. Urban Renewal Plan must meet the requirements of CMC 725 and be approved by Planning Commission and City Council
  - ii. Blight Study to determine whether the area meets the “Blighted” criteria of the Ohio Revised Code (ORC 1.08)

### **3. Drafting of Boundary**

- a. DCED and City Planning draw up a proposed TIF District boundary. The boundary should include the main commercial corridors (or other significant infrastructure that may require investment), should limit the inclusion of property exempted from taxation (government facilities etc.), and should be drawn to best address the housing/infrastructure needs identified as the basis of the proposed TIF District. The proposed TIF District may not be more than 300 acres in size under state law.
- b. DCED ensures that proposed boundary includes only areas (census tracts) that meet the eligibility criteria and complies with all other legal requirements.

### **4. Community Engagement**

- a. DCED engages with the community council, business association, and the CDC of the proposed TIF District to gain support.
- b. City sends required notices under state law to all property owners within the boundary of the proposed TIF District and sets a date for a public hearing to discuss the proposed TIF District.
- c. City holds Public Hearing (at least 30 days after the notice).
- d. City passes TIF District Ordinance (at least 30 days after the Public Hearing).

### **5. Other Local Government Approval**

- a. City notifies the County of the proposed TIF District, and the County may object to a proposed TIF District within 30 days of notice. If they object, then the City and County may negotiate compensation under ORC 5709.40(E).

- b. School District may object to all TIFs exempting greater than 75% of new property value or TIF District terms of more than 10 Years. If School District objects after receiving notice of the TIF District, City and Schools may negotiate a compensation agreement.
  - i. If City and Schools cannot reach agreement, ORC 5709.40(D) allows the creation of the TIF if the City commits to pay the amount of the taxes that would have been payable to the school district if the improvements had not been exempted from taxation for more than 10 years or the value of the improvements exempted at more than 75%.
  - ii. The School District may waive certain rights and approvals under state law in a separately negotiated compensation agreement with the City. Under the 1999 Agreement, CPS waived notice rights and approved TIF Districts in excess of 10 years and 75% exemption.

**6. Approval of TIF District Projects**

- a. TIF District funds must be kept in funding accounts specific to each District. Once a project is identified, City Council approves the creation of capital project account and the transfer of the designated amount of funds from the TIF District funds to the project account.
- b. Neighborhoods propose uses of these funds by either submitting requests to the City through DCED or submitting letters of support to Developers seeking use of TIF Funds.
- c. City Council reviews community support as a part of its deliberation on project approvals.

**7. Implementation of TIF District projects**

- a. Depending on the project, DCED is usually the lead City agency for the use of TIF District funding but some specialized infrastructure projects may be led by DOTE.