



**“I see your JEDZ and MUD  
and raise you a TID”**

---

**ECONOMIC DEVELOPMENT  
DISTRICTS AND AGREEMENTS  
GLOSSARY**

---

**Wednesday, October 15 at 2 p.m.**  
Grand Lobby of the Dr. Martin Luther King, Jr. Plaza



## Ohio Economic Development Tools Glossary

### **Community Development Block Grant Program (CDBG)**

The Community Development Block Grant (CDBG) is a flexible program that provides communities with resources to address a wide range of unique community development needs.

The CDBG program works to ensure decent affordable housing, to provide services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses. CDBG is an important tool for helping local governments tackle serious challenges facing their communities. The annual CDBG appropriation is allocated between States and local jurisdictions called "non-entitlement" and "entitlement" communities respectively. Entitlement communities are comprised of central cities of Metropolitan Statistical Areas (MSAs); metropolitan cities with populations of at least 50,000; and qualified urban counties with a population of 200,000 or more (excluding the populations of entitlement cities). States distribute CDBG funds to non-entitlement localities not qualified as entitlement communities.

HUD determines the amount of each grant by using a formula comprised of several measures of community need, including the extent of poverty, population, housing overcrowding, age of housing, and population growth lag in relationship to other metropolitan areas.

### **Community Reinvestment Areas (CRA)**

The Ohio Community Reinvestment Area program is an economic development tool administered by municipal and county government that provides real property tax exemptions for property owners who renovate existing or construct new buildings. The program is delineated into two distinct categories, those created prior to July 1994 ("pre-1994") and those created after. To use the Community Reinvestment Area program, a city, village, or county petitions to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing has traditionally been discouraged. Once an area is confirmed by the director of ODSA, communities may offer real property tax exemptions to taxpayers that invest in that area.

### **Comprehensive Economic Development Strategies (CEDS)**

A Comprehensive Economic Development Strategy (CEDS) is designed to bring together the public and private sectors in the creation of an economic roadmap to diversify and strengthen regional economies. The CEDS should analyze the regional economy and serve as a guide for establishing regional goals and objectives, developing and implementing a regional plan of action, and identifying investment priorities and funding sources. A CEDS integrates a region's human and physical capital planning in the service of economic development. Integrated economic development planning provides the flexibility to adapt to global economic conditions and fully utilize the region's unique advantages to maximize economic opportunity for its residents by attracting the private investment that creates jobs for the region's residents. A CEDS must be the result of a continuing economic development planning process developed with broad-based and diverse public and private sector participation, and must set forth the goals and objectives necessary to solve the economic development problems of the region and clearly define the metrics of success. Finally, a CEDS provides a useful benchmark by which a regional economy can evaluate opportunities with other regions in the national economy.

### **Cooperative Economic Development Agreements (CEDA)**

Cooperative Economic Development Agreements (“CEDAs”) are forms of partnerships created among units of local governments in a municipality or a township. CEDAs can encompass a broad range of agreements for cooperation and revenue sharing, but are not taxing authorities. These agreements minimize annexation disputes and often facilitate the development and delivery of utilities to development properties.

### **Enterprise Zone (EZ)**

An Urban Enterprise Zone is an area in which policies to encourage economic growth and development are implemented. Urban Enterprise Zone policies generally offer tax concession, infrastructure incentives, and reduced regulations to attract investments and private companies into the zones.

### **Foreign Trade Zones (FTZ)**

A Foreign-Trade Zone (FTZ) of the United States is a geographical area, in (or adjacent to) a United States Port of Entry, where commercial merchandise, both domestic and foreign, receives the same Customs treatment it would if it were outside the commerce of the United States. Another definition of an FTZ states that it is an isolated, enclosed, and policed area operated as a public utility, furnished with facilities for loading, unloading, handling, storing, manipulating, manufacturing and exhibiting goods and for reshipping them by land, water or air.

Merchandise of every description may be held in the Zone without being subject to tariffs (customs duties) and other *ad valorem* taxes. This tariff and tax relief is designed to lower the costs of U.S.-based operations engaged in international trade and thereby create and retain the employment and capital investment opportunities that result from those operations. These special geographic areas are under the supervision of the U.S. Customs and Border Protection under the United States Homeland Security Council. Since 1986, U.S. Customs' oversight of FTZ operations has been conducted on an audit-inspection basis known as Compliance Reviews, whereby compliance is assured through audits and spot checks under a surety bond, rather than through on-site supervision by Customs personnel. There are over 230 Foreign-Trade Zone projects and nearly 400 Subzones in the United States.

### **Joint Economic Development District (JEDD)**

A Joint Economic Development District (JEDD) is an entity formed by contract, at the request of a business or property owner, to create funds for the promotion of economic development, typically through the levy an income tax. They are formed through a process of public hearings and public input. JEDDs allow a municipality to expand its tax base without annexing township territory and can produce the additional funds necessary for a township to serve growing commercial areas by receiving a share of income taxes levied in the zone or district. (Joint Economic Development Zones (JEDZ) are no longer permitted to be formed. There are existing JEDZs which are going to be allowed to continue to exist under some conditions.)

### **Municipal Utility District (MUD)**

A Municipal Utility District (MUD) is a political entity in charge of providing utility-related services such as water, sewage, and drainage services. A MUD is typically enacted by state law and is funded by special assessment bonds. Individuals living in a municipal utility district will be assessed a tax based on the value of their property and the current tax.

### **New Community Authorities (NCA)**

A New Community Authority (NCA) also referred to by some as a Community Development Authority or CDA is a well-planned, diversified and economically sound community, or an addition to an existing community, that includes facilities for the conduct of industrial, commercial, residential, cultural, educational and/or recreational activities. It is designed in accordance with planning concepts for the placement of utility, open space and other supportive facilities. Governments and private developers work together through a public/private partnership to accomplish their development or redevelopment projects.

NCA is a separate public body governed by a board of trustees that may oversee, coordinate, construct and finance public infrastructure improvements and community facilities. Ohio Revised Code Chapter 349 provides the authority and procedures for forming and governing an NCA.

### **Special Improvement District (SID)**

A Special Improvement District (SID) may be created within the boundaries of any one municipal corporation, any one township, or any combination of contiguous municipal corporations and townships for the purpose of developing and implementing plans for public improvements and public services that benefit the district. A district may be created by petition of the owners of real property within the proposed district, or by an existing qualified nonprofit corporation. If the district is created by an existing qualified nonprofit corporation, the purposes for which the district is created may be supplemental to the other purposes for which the corporation is organized. All territory in a special improvement district shall be contiguous; except that the territory in a special improvement district may be noncontiguous if at least one special energy improvement project is designated for each parcel of real property included within the special improvement district. Additional territory may be added to a special improvement district created under this chapter for the purpose of developing and implementing plans for special energy improvement projects if at least one special energy improvement project is designated for each parcel of real property included within such additional territory and the addition of territory is authorized by the initial plan proposed under division (F) of this section or a plan adopted by the board of directors of the special improvement district under section 1710.06 of the Revised Code.

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. No special improvement district shall include any church property, or property of the federal or state government or a county, township, or municipal corporation, unless the church or the county, township, or municipal corporation specifically requests in writing that the property be included within the district, or unless the church is a member of the existing qualified nonprofit corporation creating the district at the time the district is created. More than one district may be created within a participating political subdivision, but no real property may be included within

more than one district unless the owner of the property files a written consent with the clerk of the legislative authority, the township fiscal officer, or the village clerk, as appropriate. The area of each district shall be contiguous; except that the area of a special improvement district may be noncontiguous if all parcels of real property included within such area contain at least one special energy improvement thereon.

### **Tax Increment Financing (TIF)**

A Tax Increment Financing (TIF) is a public financing method that is used as a subsidy for redevelopment, infrastructure, and other community-improvement projects in many countries, including the United States. TIF is a method to use future gains in taxes to subsidize current improvements, which are projected to create the conditions for gains above the routine yearly increases which often occur without the improvements. To provide the needed subsidy, the urban renewal district, or TIF district, is drawn around hundreds or thousands of acres of additional real estate (beyond the project site) to provide the needed borrowing capacity for the project or projects. The borrowing capacity is established by committing all of normal yearly future real estate tax increases from every parcel in the TIF district (for 20–25 years, or more) along with the anticipated new tax revenue eventually coming from the project or projects themselves. If the projects are public improvements paying no real estate taxes all of the repayment will come from the adjacent properties within the TIF district.

### **Transportation Improvement District (TID)**

Transportation Improvement Districts (TIDs) were created to promote intergovernmental and public-private cooperation by coordinating resources in transportation projects. Proposed projects are considered based on their ability to address at least one of the following needs: Economic Development, Safety, Preservation, or Capacity.