

RESOLUTION NO. 2009-101

AUTHORIZING THE GENERAL MANAGER/SECRETARY-TREASURER TO SIGN A PETITION SUPPORTING APPROVAL OF THE 2011-2015 SERVICES PLAN FOR THE DOWNTOWN CLEVELAND SPECIAL IMPROVEMENT DISTRICT AND AUTHORIZING EXPENDITURES FOR AUTHORITY ASSESSMENTS NOT TO EXCEED \$170,380.37 FOR THOSE YEARS

WHEREAS, the Downtown Cleveland Improvement Corporation's Downtown Cleveland Special Improvement District Steering Committee ("Committee"), developed a proposal to create a special improvement district ("District") in Downtown Cleveland in 2005; and

WHEREAS, the Greater Cleveland Regional Transit Authority ("Authority") notified the Committee that the Authority desired that its properties located in the proposed geographic area be included in the District; and

WHEREAS, the Authority authorized the payment of this assessment in 2005 in Resolution No. 2005-82 in accordance with the assessment valuation in the Comprehensive Services Plan over the past period of five (5) years from 2006 through 2010; and

WHEREAS, the Authority has been notified by the Committee of their intent to secure and present to the City of Cleveland a petition in which the Authority approves and requests City Council approval of a new services plan that will allow for the continuation of operations of the District in the years 2011-2015 ("Plan") in accordance with 1710 et seq. of the Ohio revised Code; and

WHEREAS, the Plan states that the District will continue to provide supplemental security, maintenance and other services that benefit RTA's customers, employees and facilities; and

WHEREAS, the Authority has determined that approval of the Plan, continued participation in the funding for the District and obtaining the supplemental services during the years covered by the Plan will protect and enhance the Authority's downtown facilities and be of great benefit to the Authority's personnel and its customers.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the Authority hereby approves the Plan as set forth in the attachments hereto.

Section 2. That the Authority hereby authorizes annual expenditures to be paid in accordance with the assessment valuation in the Plan over a period of five (5) years from 2011 through 2015 for a total not to exceed the sum of \$170,380.37.

Section 3. That the General Manager/Secretary-Treasurer be and he is hereby authorized to take such action and execute and deliver such further documents as, acting with the advice of counsel, shall be deemed necessary to carry out the intent of this resolution.

Section 4. That the Authority's participation shall be contingent upon Cleveland City Council approval of the Plan and continuation of the District.

Section 5. That this Resolution shall become effective on its adoption.

Adopted: November 17, 2009



President

Attest: _____



CEO, General Manager/Secretary-Treasurer



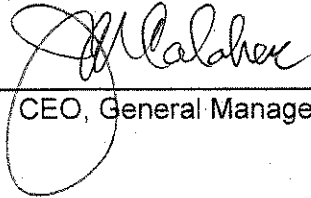
Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION:	Resolution No.: 2009-101
PETITION: SUPPORTING APPROVAL OF THE 2011-2015 SERVICES PLAN FOR THE DOWNTOWN CLEVELAND SPECIAL IMPROVEMENT DISTRICT AND AUTHORIZING EXPENDITURES FOR AUTHORITY ASSESSMENTS	Date: November 12, 2009
VENDOR: CLEVELAND IMPROVEMENT CORPORATION	Initiator: General Manager/Secretary-Treasurer
AMOUNT: \$170,380.37	
ACTION REQUEST: x Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

- 1.0 PURPOSE/SCOPE: This action will authorize the General Manager/Secretary-Treasurer to notify the Steering Committee of the Downtown Cleveland Special Improvement District (SID) of RTA's willingness to continue to participate in the SID and to be assessed a fee based on the proposed business plan for 2011 through 2015. A SID is a self-help tool authorized by Ohio law to allow property owners within a self-defined district to organize and assess themselves the cost of providing area-wide services. Entities such as RTA must consent in writing in order to be assessed and be a part of SID. This resolution will permit RTA's continued participation in the SID and is contingent upon approval by the City of Cleveland. Once the petitions of all the property owners have been sent to the City, the appropriate legislative authority will reauthorize the SID.
- 2.0 DESCRIPTION/JUSTIFICATION: The SID is located in Downtown Cleveland and is an area of significant use by public transit. The SID has been operating successfully since 2005. Their efforts to create a cleaner and safer downtown environment have been very successful and helpful to RTA patrons and downtown as a whole. RTA has benefited from the presence of their ambassadors, their security, and cleanliness efforts. The assessment methodology is based upon a formula that includes the certified value and lot frontage of all properties within the geographic area of the SID. RTA owns several properties in this area including the Root-McBride Building, and Tower City Station.
- 3.0 PROCUREMENT BACKGROUND: Does Not Apply.
- 4.0 DBE/AFFIRMATIVE ACTION BACKGROUND: Does Not Apply.
- 5.0 POLICY IMPACT: Does Not Apply.
- 6.0 ECONOMIC IMPACT: RTA's assessment is expected to average \$34,076 per year, for a total amount not to exceed \$170,380.37 from 2011 through 2015. The assessment shall be paid in the amount of \$170,380.37, contingent upon funds for future years. The Authority will realize a cost savings through programs implemented by the SID as well as creating an environment that will be more conducive to public transit in the Downtown Cleveland area and will have a significant positive impact on Authority operations.
- 7.0 ALTERNATIVES: Do Not Approve the Resolution. This would not allow GCRTA to participate in the Downtown Cleveland Special Improvement District and realize cost savings through programs implemented through the Improvement District.

- 8.0 RECOMMENDATION: It is recommended that the Board of Trustees approve this resolution.
- 9.0 ATTACHMENTS: Petition to Approve the Comprehensive Plan for the Continued Operations of the Downtown Cleveland Improvement District with attached Comprehensive Services Plan for the Continued Operations of the Downtown Cleveland Special Improvement District and Cuyahoga County Total Market Valuation sheet.

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.



CEO, General Manager/Secretary-Treasurer

P E T I T I O N

TO APPROVE THE COMPREHENSIVES SERVICES PLAN FOR THE CONTINUED OPERATIONS OF THE DOWNTOWN CLEVELAND IMPROVEMENT DISTRICT

City of Cleveland, Ohio
November 17, 2009

To the Mayor and the Council of the City of Cleveland, Ohio:

We are members of the Downtown Cleveland Improvement District, a special improvement district created under Ohio Revised Code Chapter 1710 for the purpose of developing and implementing plans for public improvements and public services that benefit the District, the boundaries of which are shown on the map attached to the Plan (defined below).

We are the owners of 60% or more of the front footage of property that abuts upon any street, alley, public road, place, boulevard, parkway, park entrance, easement, or other existing public improvement, excluding, as required by law, any properties owned by the federal and state governments and any properties owned by a church or by city and county governments unless the church or city or county specifically requested in writing that its designated property be included in the District.

We approve the Comprehensive Services Plan of the District (the "Plan") in the form attached as Exhibit A. The Downtown Cleveland Improvement Corporation is to provide, or contract for the provision of, the services described in the Plan. The City is to levy special assessments upon the properties in the District to pay for the costs of the services described in the Plan.

We petition the Council of the City to approve the Plan. We request that our properties be assessed for the Plan in proportion to the benefits. We agree that the determination of the benefits shall be in accordance with the formula outlined in the Plan. We request that the assessment be payable in 5 annual installments payable in advance of the services to be provided by the Plan. A schedule of those assessments is shown in the attached Exhibit B. We acknowledge that the actual assessments may include an additional amount for the costs expended by the City in levying and collecting the assessments.

We further acknowledge and agree, in consideration of the services of the Plan, that the assessment of our properties does not exceed the benefit to be received from the Plan by each of the properties to be assessed for the Plan, that no other property other than those properties shown on Exhibit B will receive special benefits from that Plan for which any such property should be assessed, that the undersigned will pay promptly all special assessments levied against the properties pursuant to this petition as they become due, and that the determination by the Council of the special assessment against the properties pursuant to and in accordance with this Petition will be final, conclusive and binding upon the undersigned, its successors, assigns and any grantees of the properties or any portion thereof.

The undersigned property owners consent and request that subject to the terms hereof these special assessments be levied and collected without limitation as to the value of the property assessed, and waive all the following relating to the Plan and the special assessments described herein:

- (1) any and all rights, benefits and privileges specified by Sections 727.03 and 727.06 of the Revised Code that may be deemed applicable to the Plan and thereby restrict these special assessments to 33-1/3% of the actual improved value of the properties as enhanced by the Plan;
- (2) any and all resolutions, ordinances and notices required for the Plan, including the notice of the adoption of the resolution of necessity and the filing of estimated special assessments, the equalization of the estimated special assessments, any increase in the cost of labor and materials over the estimated cost, and the passage of the assessing ordinance, including but not limited to notices authorized and required by Sections 727.13, 727.16, 727.17, 727.24 and 727.26 of the Revised Code; and
- (3) any and all irregularities and defects in the proceedings.

The undersigned property owners further request that all legislation required to be enacted pursuant to Chapter 727 of the Revised Code to permit the Plan to commence immediately be enacted at one Council meeting and consent to the enactment of such legislation at one meeting.

A. Property: 1240 West Sixth Street

Permanent Parcel Nos:

10109046	10131025
10109062	10131032
10114029	10131033
10122003	10131034
10123050D	10301029
10131024	

B. Name of Owner:

Greater Cleveland Regional Transit Authority (GCRTA)

C. Name, title and signature of authorized representative of owner:

The legal form and correctness of the within instrument are hereby approved.

Joseph A. Calabrese, CEO
General Manager/ Secretary-Treasurer
Greater Cleveland Regional Transit Authority

Sheryl King Benford, General Counsel
Deputy General Manager for Legal Affairs
Greater Cleveland Regional Transit Authority

**Comprehensive Services Plan
for the Continued Operations of the
Downtown Cleveland Special Improvement District**

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Attachment A: Map of the Downtown Cleveland SID Boundaries

Attachment B: Results of Online SID Satisfaction Survey

Submitted by the
Downtown Cleveland Improvement Corporation

Section I: Why Continue the Downtown Cleveland SID?

The Downtown Cleveland Special Improvement District (SID) was established in 2005 with an initial five year services plan. Continuation of the operation of the SID beyond 2010 requires a new plan supported by a petition from property owners and an ordinance from the Cleveland City Council.

To explore continuation of the SID, a public outreach process was undertaken in the spring and summer of 2009. Options for the future of the SID were discussed with more than 50 stakeholders that participated in a series of public roundtable discussions. Nearly 330 downtown property owners, businesses, employees and residents responded to an online survey seeking opinions on the SID. The following themes were voiced by downtown property owners, businesses and residents as compelling reasons for continuing the SID:

1. "Clean and Safe" Has Worked – We Can't Go Backwards

Downtown stakeholders agree that the supplemental cleaning and safety services funded by the SID have succeeded to make downtown Cleveland safer and more attractive. From three years ago, nearly 84% of 329 respondents to the recent SID survey indicated that downtown is cleaner and 58% indicated that downtown is safer. There is concern that if the SID goes away, downtown's gains in clean and safe will slip.

2. The SID Helps Unify Downtown and Makes Us More Influential

With the SID, downtown has emerged with a unified voice to guide a variety of policies and issues affecting the central business district. Prior to the formation of the SID, downtown had many organizations and was perceived as fragmented. Downtown stakeholders want to continue to benefit from a stronger unified voice in the future.

3. City Services Have Become More Responsive With the SID

Many City services have improved since the creation of the SID, most notably the redeployment of police that has increased police coverage in downtown. To ensure that City services remain in place, the SID continuation process includes the updating of "protocols" that establish a base level of City services from a variety of departments.

4. The SID is More Important Than Ever in Challenging Economic Times

Most stakeholders value the SID more than ever as a foundational tool that can help downtown navigate through the current economic storm. With a challenging national and regional economy, the SID is something we can control. The SID's work program and performance is under the supervision of the Downtown Cleveland Improvement Corporation (DCIC), a governing board composed primarily of property owners located within the SID.

5. A More Visible Economic Development Role

In keeping with priorities established by downtown property owners, businesses and residents, the SID will devote more resources to a variety of business development initiatives that are intended to grow and attract businesses, jobs and investment. A special effort will be launched along the Euclid corridor to help fill empty storefronts and buildings.

Section II: Continued Operations of the Downtown Cleveland SID At-A-Glance

Background: Established in 2005, the Downtown Cleveland SID is a private sector-initiated special district that collects special assessments to finance enhanced cleaning, safety and marketing services. The SID will raise more than \$3.4 million in 2010 that will be spent exclusively on supplemental services within downtown. This business plan provides the framework for the SID's continued operations for an additional five years beginning in 2011.

Location: The Downtown Cleveland SID serves downtown's core areas, including the Warehouse, Civic Center, Gateway, PlayhouseSquare and Erieview districts. A map of the SID plan area is provided as **Attachment A**.

Improvements & Services: For the next term of the SID beginning in 2011, the following improvements and services will be provided:

- **Enhanced Public Safety Services**, including the 18-hour daily deployment of uniformed Safety Ambassadors that augment crime prevention efforts, assist visitors, provide escorts and interact with the homeless. In addition, the SID supports off-duty Cleveland Police officers that provide supplemental safety services.
- **Enhanced Maintenance Services** through the deployment of uniformed Clean Team Ambassadors that sweep sidewalks, remove litter and graffiti, clean street furniture and maintain landscaping.
- **Business Development & Consumer Marketing** will be refocused to attract and grow new businesses and jobs to downtown, plus marketing that enhances downtown's image and invites regional customers to live, work and play downtown. A special initiative to implement the Euclid corridor retail plan and enliven storefronts along the corridor will be a top priority of the renewed SID.

Budget: The estimated assessment budget for the first year of the new SID plan will be \$3,541,000.

Annual Adjustment: An annual adjustment is budgeted into the five program years to accommodate anticipated cost of living and programming adjustments. The annual adjustment will be 3%.

Method of Assessment: Assessments are based upon a "benefits" method that allocates assessments in proportion to the benefits of services to properties. The existing SID benefits formula will be continued, based upon a combination of factors relating to linear front footage and assessed valuation of the benefited property. Application of the formula results in assessments of **0.115%** of certified property value plus **\$7.75** per linear foot of frontage.

City Services: To ensure that the SID works in partnership with the City of Cleveland, the SID has developed a set of "protocols" and verifiable contracts that document the existing base level of services currently provided by the City for sanitation, parks, lighting, water, landscape maintenance and police. Ohio law does not permit municipalities to rely on SIDs as a substitution for municipal services. The SID will not perform any responsibilities, duties, public improvements or public services traditionally and exclusively performed by employees of the City of Cleveland.

Governance: Policies and decisions regarding the SID are made by the Downtown Cleveland Improvement Corporation (DCIC), with a 23-member governing board composed primarily of property owners located

within the SID. State law does require that one board member be appointed by the Cleveland City Council and one board member be appointed by the Mayor. The Downtown Cleveland Alliance, a non-profit organization, serves as the managing entity for the operation of the SID and is responsible for the delivery of day-to-day services. Both the DCIC and Downtown Cleveland Alliance have boards of directors that represent all of downtown's geographic districts and primary land uses, including residents.

Plan Term: A new term of five years is proposed beginning in calendar year 2011. Continuation of the SID operations after five years will require a new SID plan and property owner petition process.

Continuation of District Operations: Continuation of the SID will involve the following steps:

- Draft the revised SID plan
- Review and approval of the draft SID plan by the DCIC board
- Comments from the City and downtown property owners on the draft plan
- Approval of the final SID plan by the DCIC board
- Initiate SID petition drive – proponents need to secure petition support from property owners representing more than 60% of the affected linear frontage
- Submit petitions to the City of Cleveland
- Cleveland City Council, by resolution, approves the Plan for the SID

Dissolution: State law provides for the dissolution of a SID before the end of its term through a process that is initiated by a property owner petition.

Section III: Satisfaction with the Downtown SID & Priorities for the Future

To determine priorities for the continuation of the SID, a public outreach effort was undertaken in the spring and summer of 2009. Methods of outreach included:

- Four public roundtable meetings were held with downtown property owners, businesses and residents. More than 60 individuals participated in the series of roundtables.
- Additional roundtable meetings were convened with the top 20 ratepayers and out-of-town owners.
- An online satisfaction survey was distributed through a variety of electronic channels. 329 property owners, businesses, employees and residents responded to the survey.
- The outreach process and development of the SID continuation plan was supervised by the Downtown Cleveland Alliance's SID Renewal Committee and the board of directors of the Downtown Cleveland Improvement Corporation (DCIC). Each of downtown's historic district organizations was also consulted in the process, including the Historic Warehouse District, Historic Gateway Neighborhood and PlayhouseSquare.

The outreach process found that mid-way through its fourth year of operation, the SID has funded the deployment of clean, safe and marketing services that have gained a high level of satisfaction from a diverse array of downtown stakeholders.

Stakeholder Roundtables: In June of 2009, a series of four public stakeholder roundtables were held in various locations to gauge overall satisfaction with the SID and priorities for moving forward. Each roundtable discussion was guided by the following agenda:

- Discussion of the SID's pros and cons
- An exercise to identify priorities for reallocating existing SID resources
- Improvement priorities for the next five years and
- Measuring the willingness, if any, to pay an increased rate of assessment

Key findings from the series of public roundtable meetings included the following:

- Overall downtown stakeholders are very satisfied with SID clean and safe services. These services are visible, personnel are approachable and well trained, and the program has made a discernible impact in improving the quality of life in downtown Cleveland.
- Another strong positive of the SID is the sense the downtown is more unified. The Downtown Cleveland Alliance umbrella structure works well and there is broad agreement that downtown districts work much better together today than they did several years ago.
- On the negative side, there is continued frustration with storefront and office vacancies, and concern with disruptive street behaviors such as aggressive panhandling and vagrancy.
- There is interest in reallocating existing resources to business development and away from special events.
- Addressing building vacancies and disruptive street behaviors are top priorities for the future.
- Given the tough economic environment, there is little to no appetite to pay higher assessments in the short term, but there is concern with future inflation and the SID plan should anticipate this.

Online SID Satisfaction Survey: Concurrent with the series of roundtables, 329 downtown property owners, businesses, employees and residents responded to an online survey seeking an evaluation of downtown and SID services. Results of the survey found high levels of satisfaction with SID clean and safe services, but room for improvement for marketing and communications initiatives. See **Attachment B**.

Highlights from the online survey included:

- Over the past three years, 86% of respondents find the general appearance of downtown is slightly or much better and 84% believe it is cleaner.
- SID services get high marks from respondents. 81% rated sidewalk cleaning as good or very good, 73% found cleaning of public spaces good or very good and 72% rated safety ambassadors favorably.
- Marketing services were rated less favorably. 47% found marketing as good or very good, 44% rated communications favorably and existing business development services were rated highly by 26%.
- Overall, the SID gets a "B+" grade – services are very good, but there is room for improvement.
- In choosing priorities for the future, responses for more emphasis included business development (74%), marketing (59%), special events and festivals (54%), communications (52%) and safety ambassadors (50%).
- The survey sought to determine which types of "marketing" would be most important in the future. Investor marketing to attract businesses was rated the most valuable by 62% of respondents followed by consumer marketing to improve image (22%).
- The survey also sought to determine which civic projects would be most important for the SID to concentrate energy on over the next several years. Activating storefronts on Euclid Avenue was rated as

- most important by 52% of respondents, followed by planning to capitalize on the Medical Mart and Convention Center (15%) and continued investment to downtown's historic districts (13%).

Key conclusions from the outreach and surveys for the continuation of the SID include:

- Clean and safe services should continue to be the primary emphasis of the SID
- Marketing resources should be channeled more to "investor marketing" services that aim to grow and attract businesses and fill storefronts.
- In the short term, an effort focused on reviving Euclid Avenue storefronts is a top priority.

NOTE: A final round of three public forums was held the first week of September to present the new draft business plan. A PowerPoint presentation was used to walk stakeholders through the results of the survey and earlier roundtable discussions, and how those results informed the new plan. Feedback from the approximately 60 stakeholders who attended this final round of forums indicated a satisfaction with the direction the SID would take.

Section IV: Proposed Comprehensive Services Plan

The proposed services plan for the next five years of the SID aims to build upon the following key parameters:

- Maintain the effectiveness and integrity of the clean and safe program.
- Be more strategic with marketing funds, initially placing more focus on "investor marketing" efforts that aim to fill storefronts, office space and help businesses grow and locate in downtown.
- Budget conservatively, knowing that there is little appetite for assessment increases in the short term, but there is concern with future inflation and a willingness to consider more aggressive SID services as economic conditions improve.

Clean and Safe

Clearly the most visible and successful element of the SID has been the deployment of supplemental clean and safe services throughout downtown. More than 50 uniformed "ambassadors" are deployed. These ambassadors provide the following cleaning services:

- ✓ Sidewalk cleaning, including removal of litter, cigarette butts and gum.
- ✓ Periodic power washing of sidewalks.
- ✓ Graffiti removal, including decals, flyers and paint posters.
- ✓ Weed abatement.
- ✓ Removal of dog waste.
- ✓ Cleaning and repair of street furniture, including trash receptacles, utility boxes and benches.

Safety ambassadors are deployed on foot and bicycle to augment crime prevention efforts in downtown.

Safety ambassador services include:

- ✓ Regular patrols and ongoing communication with police to prevent crime.
- ✓ Ongoing contacts with pedestrians to provide information, directions and other types of visitor assistance.
- ✓ Safety escorts to accompany employees and residents to vehicles and other destinations

- ✓ Interaction with homeless to help direct individuals to services. The Safety Ambassador program includes a full-time Social Services Representative who is specially trained to work one-on-one with homeless individuals.
- ✓ In addition to Safety Ambassadors, the SID supports a contract with the City of Cleveland to utilize off-duty police officers to patrol downtown during critical time periods. The off-duty Peace Officer utilizes a vehicle provided by the SID, and has the authority to issue citations or make arrests as needed. Off-duty Peace Officers log more than 2,000 miles a month of coverage within the boundaries of the SID.

Together, the Clean and Safe Ambassadors document impressive results in cleaning and securing downtown Cleveland. Highlights from 2008 include:

- Clean Ambassadors picked up more than 363,634 lbs of trash, or more than 181 tons.
- Special Projects teams removed 2,889 instances of graffiti and power washed sidewalks more than 1,212 hours, or more than 50 days worth.
- Ambassadors talked to more than 61,548 Pedestrians, providing directions, restaurant locations, and general information on downtown.
- Safety Ambassadors rode over 14,665 miles while patrolling on bikes enough to ride from Cleveland to San Francisco 5.5 times.
- Ambassadors talked to 21,074 Business Contacts, delivering information on the SID and its programs and providing important information about downtown safety.

Moving forward, the SID will continue to provide funding for the Downtown Clean and Safe program. In addition to the preceding services, enhancements planned for the Clean and Safe program include technology upgrades to equipment, including hand-held devices.

Consistent with funding over the past three years, the direct costs of the Clean and Safe program are anticipated to utilize 65% to 70% of the overall annual SID budget.

Contract Services: In addition to providing services to property owners within the boundaries of the SID, properties adjacent to but outside of the formal boundaries of the SID may contract for clean, safe and other services on a cost plus basis.

The SID may also seek contract for service arrangements with property owners that are excluded from the SID under the Ohio statute. Government and church-owned properties are excluded under the statute; however, it is common for SIDs in other cities to contract with those excluded owners. The SID does not perform any responsibilities, duties, public improvements or public services traditionally and exclusively performed by employees of the City of Cleveland.

Business Development & Consumer Marketing

During the past three years, the SID has devoted from 15% to 20% of its annual budget to a variety of economic development and marketing activities that aim to improve downtown's image and attract new investment to the central business district. Examples of SID-supported marketing initiatives include:

- Community development initiatives, such as the development of a retail leasing plan for the Euclid corridor.
- Special events to attract customers to downtown, such as Restaurant Week.
- Promotions to showcase living opportunities within downtown and encourage the development of more housing.
- Creation of online and e-marketing communication tools, such as a website, blog, and monthly e-newsletter.
- Ongoing relationship with editors, reporters and producers to create positive coverage for Downtown.
- Collaborative marketing partnerships with downtown's historic districts to increase the visibility and perception of downtown as a destination.

Despite successes with many of these marketing initiatives, the SID continuation survey revealed lower stakeholder satisfaction and awareness with activities characterized as business development, marketing and special events. Moving forward, these same activities were cited as the top SID priorities for the future.

To craft a strategic approach for the future, and best utilize limited SID resources, the SID continuation process sought to clarify preferred types of "marketing". Marketing options were classified as follows, sorted in order of priority as evidenced by responses to surveys:

Type of Marketing	Most Valuable/One Choice
Investor Marketing to attract businesses and fill storefronts	62%
Consumer Marketing to improve image and invite customers	22%
Local Marketing that targets downtown residents and employees	8%
Special Events & Festivals that attract visitors	6%

In addition, priorities were sought in relation to several project opportunities that are eligible to be supported by SID marketing resources:

Project Opportunity	Most Important/One Choice
Activating storefronts and attracting businesses to Euclid corridor	52%
Planning to capitalize on the Medical Mart & Convention Center	15%
Continued investment in downtown's historic districts	13%
Streetscape improvements throughout downtown	10%
Improvements to urban parks	4%
Extending the frequency and reach of the downtown trolley	3%

To respond to these priorities and to proactively combat the challenges associated with a prolonged national economic recession, a new downtown-wide initiative designed to fill building vacancies and storefronts is recommended to be supported by the SID. A collaborative approach to downtown business development is proposed, whereby multiple property owners and real estate professionals will work collectively with civic leaders to promote the advantages of downtown as a business location. Based upon best practices from other SIDs in major downtown markets from throughout the country, four primary program activities are proposed:

1. **Business Retention and Recruitment:** Housed at the offices of the Downtown Cleveland Alliance, the program will provide a primary one-stop point of contact for all business prospects looking to locate and/or grow in downtown. Comprehensive market information on downtown will be researched, packaged and maintained. Specialized research will identify specific target business groups and niches that are most likely to locate within downtown. Program staff will work collaboratively with regional economic development agencies, the City of Cleveland, the Port Authority and the Greater Cleveland Partnership to coordinate and leverage business attraction efforts.
2. **Image and Marketing:** The program will develop marketing strategies and products to create a new and revived image for the downtown office product. The suggested overall strategy is to build off of the excitement, youth, innovation and "buzz" arising from downtown's emergence as a regional attraction for sports, dining, entertainment and urban living. Products could include periodic market reports and updates, a revamped interactive website, and special events to highlight positive changes in the downtown marketplace.
3. **Leadership and Policy:** Capitalizing on the Downtown Cleveland Alliance's established role as a respected advocate for the downtown business community, business climate issues will be kept in the forefront of civic decision-making. Key policy issues that could be advanced include providing accelerated assistance to businesses during the development review process and establishing incentives for business relocation and growth.
4. **Special Focus on the Euclid Corridor:** In the short term, a special emphasis will be placed on recruiting business, including interim uses, to fill storefronts along the Euclid corridor. With the recent completion of extensive streetscape and transit improvements, there is a new urgency to enliven storefronts on this key corridor. Euclid is the traditional "Main Street" of downtown, a regional barometer of downtown's overall economic health. Euclid is also a key corridor that connects downtown's historic districts, including PlayhouseSquare, the Gateway District, through Public Square and into the Warehouse District.

The recently completed Euclid Retail Plan can provide guidance for business development efforts. The Plan identified a merchandising strategy for the corridor that includes emphasis on design, factory outlet and entertainment uses. In addition, a challenging economy and tight credit markets suggests that more attention should be placed on interim uses. These uses could range from simple storefront displays to short-term leases with galleries, small start-ups and local independent businesses. Positioning Euclid as "an incubator without walls" is suggested. The SID could support this effort by funding a variety of small business support services within the Downtown Cleveland Alliance, including business counseling, leasing referrals, trouble-shooting regulatory issues and access to third party financing. An outreach effort to engage Euclid corridor property owners is suggested to maximize coordination and develop property owner "buy-in" to both short and long term visions for the corridor.

While a greater emphasis on business development is proposed, the SID will continue to provide limited support to downtown-wide consumer marketing, community development and special events that are consistent with downtown improvement goals. Through the five year term of the new SID, yearly budgets may change reflecting new priorities as the downtown market and the national economy change.

Strategic Initiatives: Collaborations with strategic partners will be maintained to implement a number of initiatives that help advance downtown. One current example is the agreement facilitated between the City, SID and parking lot owners and operators that creates a comprehensive approach to improve safety and customer service in downtown parking lots, particularly during special events. Other strategic initiatives include exploring video surveillance technologies to improve safety, working with the Ohio Department of Transportation to help plan and design roadway access improvements, representing downtown interests in evaluating development opportunities created by the Port Authority's Lakefront Plan, and analyzing pedestrian and bicycle connectivity between and within downtown's historic neighborhoods.

Consistent with funding over the past four years, marketing and business development initiatives are anticipated to be approximately 15% to 20% of the overall annual SID budget.

Management & Reserve

Like any business, the SID requires professional staff and administration to manage the deployment of SID funded services, advocate for the continued improvement of downtown, and communicate with property owners, businesses and residents.

Management costs are kept at a minimum due to the ability to leverage other funding sources that are available to the Downtown Cleveland Alliance, including foundation grants, event sponsorships, memberships and other earned income. Overall, management and reserve costs account for 10% to 15% of the overall SID budget, compared with 15% to 25% in other downtown SIDs.

Section V: Budget

There is a high level of satisfaction with SID services and there are many ambitious plans to improve downtown Cleveland, but the economic challenges of both regional and national economies in deep recession demand restraint in SID budgeting. A conservative budgeting strategy is recommended.

To meet SID objectives and respect the unpredictable dynamics of the marketplace, it is suggested that the SID budget be increased by an annual inflation adjustment of 3%. By the end of the five year term, the adjustment reflects both concerns about systemic inflation and an expectation that an economic recovery will allow greater investment in downtown improvements. The following chart illustrates the recommended budgeting for the continuation of the downtown SID:

Year	SID Budget	Inflation Adjustment From Prior Year
2011	3,541,000	3%
2012	3,647,230	3%
2013	3,756,647	3%
2014	3,869,346	3%
2015	3,985,427	3%

Annual budgets will be determined by the governing board of the SID, the Downtown Cleveland Improvement Corporation (DCIC). An illustrative budget based upon the proposed work program in this plan for Year 1 follows:

Activity	Suggested Year 1 Budget	Notes
Downtown Clean & Safe	\$ 2,384,375	67.3% of the total budget, allows for continuation of existing program and service levels
Business Development & Consumer Marketing Initiatives	\$ 714,000	20.2% of total budget, suggest half allocated to business development initiatives, remainder to consumer marketing, special events and strategic initiatives
Management & Administration	\$ 300,985	8.5%
Reserve	\$ 141,640	4.0 %
TOTAL	\$ 3,541,000	Total Year 1 Illustrative Budget

Section VI: Assessments

The existing method of assessment for the Downtown Cleveland SID will be continued. Throughout the community outreach process to continue the SID, property owners, businesses and residents indicated that the existing assessment formula is fair, balanced and commensurate with special benefits received. The assessment methodology is based upon the following parameters:

- *Benefits Received:* SID services are distributed throughout the entire boundary of the district, providing direct benefit to all properties.
- *Cost Allocation of Services:* Services that provide benefit to all property owners are distributed equally to all property owners.
- *Affirmation of Assessed Value and Lot Frontage:* Ratepayers that have participated in the SID continuation process affirmed that a combination of factors relating to assessed value of property and linear frontage are the preferred mechanisms for allocating the costs and benefits of SID improvements and services.
- *Certified Value* is the total value within the SID as determined by the Cuyahoga County Auditor as of **September 15, 2009** for valuation purposes. The Certified Value is a fixed number and is not subject to fluctuation due to any subsequent revisions to the value of property. A copy of the Certified Value of each parcel is on file and available for review in the offices of the Downtown Cleveland Alliance.

Based upon the preceding considerations, the costs of SID services are assessed based on a benefits methodology using a formula to determine benefit that combines as factors assessed value and lot frontage of all properties within the SID as follows:

Enhanced Maintenance costs are allocated primarily to sidewalk lot frontage since these services are concentrated along district sidewalks and will provide direct benefits to the frontage of commercial properties. Enhanced maintenance costs account for 25% of the total assessment budget.

$$\begin{aligned} & (25\% \text{ of Total Assessment Budget}) / (\text{Total District Sidewalk Lot Frontage}) \\ & = \$7.75 \text{ per linear foot of sidewalk lot frontage} \end{aligned}$$

Public Safety and Marketing costs are allocated primarily to the assessed value of commercial properties since these services are viewed as benefiting all properties and their users, including employees and visitors. Public safety and marketing costs account for 75% of the total assessment budget.

$$\begin{aligned} & (75\% \text{ of Total Assessment Budget}) / (\text{Total Certified Assessed Value of Properties}) \\ & = 0.115\% \text{ of assessed market value} \end{aligned}$$

To calculate assessments for individual properties, the preceding variables will be combined in the following formula:

$$(\$7.75 \times \text{linear feet of sidewalk frontage}) + (0.00115 \times \text{assessed market value})$$

Value Cap: A value cap is applied to individual properties that comprise property in excess of \$50 million in assessed value and to any spatially contiguous properties under Single Ownership <see Note below> – including vertically contiguous parcels such as air rights – in excess of \$50 million. The value cap is in recognition that benefits from SID programs will be diluted for properties with an extraordinary concentration of value. For properties in excess of \$50 million in assessed value, the full SID assessment rate on assessed value will apply to the first \$50 million in assessed value and the SID assessment rate will be reduced by 50% for all assessed value in excess of \$50 million but less than \$100 million. No assessment on assessed value will apply to any value of an individual property in excess of \$100 million. The owners of such properties already will be making very significant contributions to the SID. This cap shall not apply to the lot frontage portion of the assessment. The assessment formula for individual properties, incorporating the value cap, will be:

$$\begin{aligned} & (\$7.75 \times \text{linear feet of sidewalk frontage}) \\ & \quad + \\ & \quad 1.0(0.00115 \times \text{first } \$50 \text{ million of assessed market value}) + \\ & \quad 0.5(0.00115 \times \text{assessed market value in excess of } \$50 \text{ million but less than } \$100 \text{ million}) + \\ & \quad 0.0(0.00115 \times \text{assessed market value in excess of } \$100 \text{ million}) \end{aligned}$$

Note: "Single Ownership" shall mean: (1) ownership by a single entity; or (2) ownership by a single entity and one or more of the following: (a) any wholly-owned subsidiary of that single entity; (b) any partnership of which that single entity is a general partner; (c) any limited liability company the sole member of which is that single entity

Annual Adjustments: To accommodate changes in the cost of living and changes in the demands for services that might arise from new development and/or special events, assessments and program budgets

will be increased 3% per year each year. At no time during the five-year term of the SID will annual rates of assessment exceed the following:

	Estimated Rate per percent of Assessed Market Value	Estimated Rate of Assessment per linear foot of lot frontage
Year 1	0.11500 %	\$ 7.75
Year 2	0.11845 %	\$ 7.98
Year 3	0.12200 %	\$ 8.22
Year 4	0.12566 %	\$ 8.47
Year 5	0.12942 %	\$ 8.72

Section VII: Governance

The Downtown Cleveland Improvement Corporation (a non-profit organization) will continue to oversee the activities to the Downtown Cleveland SID. Formed in 2005, the DCIC includes a 23-member board of directors composed primarily of property owners that represents all geographic sub-districts within the SID. Board directors serve 3-year staggered terms and an annual election is held to fill board vacancies. Specific duties and responsibilities for the DCIC board of directors include:

- Setting the annual budget and work programs.
- Developing policies and procedures related to implementing the work program.
- Recommending future plans for services or improvements.
- Scheduling and conducting an annual meeting.
- Developing a strategic plan for the continuing operation of the SID.

To manage the day-to-day services funded by the SID, the DCIC contracts with the Downtown Cleveland Alliance. The Downtown Cleveland Alliance utilizes its professional staff and/or sub-contracts to implement the initiatives outlined in this plan. As a 501(c)3 non-profit organization, the Downtown Cleveland Alliance also provides an opportunity to leverage SID assessments with foundation grants, event sponsorships and other revenues.

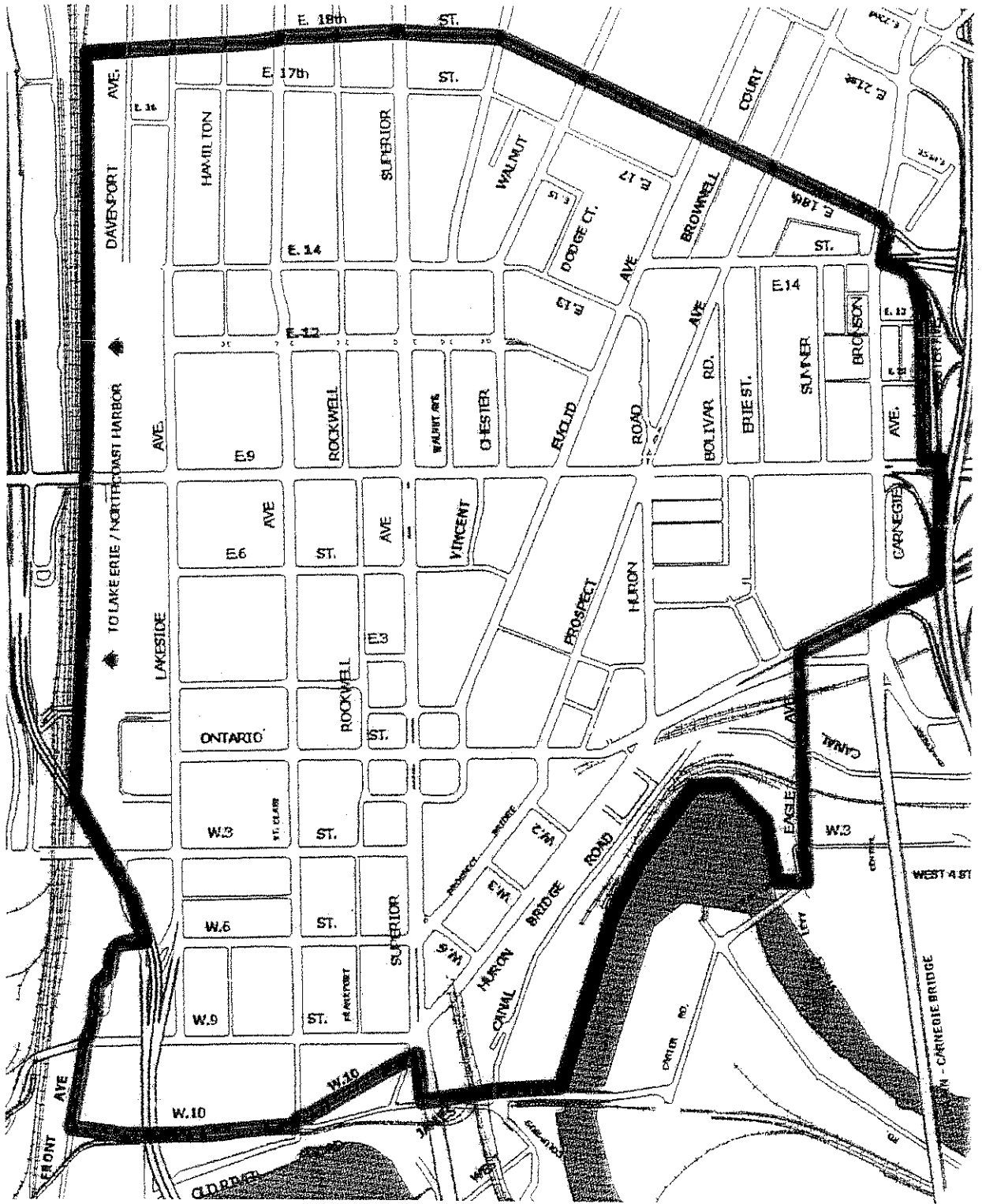
Section VIII: Safeguards

The SID will continue to have controls or "safeguards" that maximize cost certainty and accountability to property owners, including:

- **Ongoing Property Database Update:** Each year the SID property database will be updated. The initial property database has been compiled by the SID with data from the local Assessor cross-checked with a field survey.

- **Annual Property Owner Satisfaction Survey:** The SID will undertake an annual survey of property owners, businesses and residents to determine overall satisfaction with district services and to identify areas of improvement.
- **Annual Report:** The SID will provide an annual report to all property owners at its annual membership meeting. The report will give a summary of the progress made on each element of the SID plan.
- **Plan Term:** The plan is proposed to have a term to not exceed five (5) years. At the expiration of its term, continuation of district operations will require the creation of a new business plan and a petition by property owners representing 60% of the front footage.
- **Protocol Agreements:** The SID will renew protocol and contractual agreements with the City of Cleveland that document existing levels of City services being provided in the SID and will monitor those service levels on an on-going basis to ensure the service level remains constant. The SID will not perform any responsibilities, duties, public improvements or public services traditionally and exclusively performed by employees of the City of Cleveland.

Attachment A: Map of the Downtown Cleveland Improvement District



Attachment B: Results of the Online SID Satisfaction Survey

Are the following characteristics of Downtown Cleveland better or worse in the past three years?

Characteristic	Slightly or Much Better
General Appearance of Downtown	86%
Cleanliness	84%
Overall Vitality	65%
Reality of Safety	58%

How would you rate the following services provided by the Downtown SID?

SID Service	Good or Very Good
Cleaning of Sidewalks	81%
Cleaning of Public Spaces	73%
Safety Ambassadors	72%
Special Events and Festivals	58%
Marketing	47%
Communications	44%
Business Development	26%

Overall, how would you grade the efforts of the Downtown SID?

Grade Options	Overall Response
A – Services are excellent & I'm very satisfied	22.2%
B – Services are good but there is room for improvement	50.0%
C – Services are fair and there is much room for improvement	18.5%
D – Services are poor and I am dissatisfied	2.2%
F – Services are very poor and the SID has been a failure	0.9%
I – Incomplete – I don't know if services are good or poor.	6.2%

Priorities for the Future: The SID satisfaction survey sought priorities for the future, offering respondents to choose greater emphasis from existing services, and to select priorities from several definitions of SID "marketing" and project opportunities. Results included the following:

Of the following services currently provided by the SID, do you feel that more or less emphasis should be allocated over the next several years?

SID Service	Response "More Emphasis"
Business Development	74%
Marketing	59%
Special Events & Festivals	54%
Communications	52%
Safety Ambassadors	50%
Cleaning of Public Spaces	41%
Cleaning of Sidewalks	30%

Survey respondents were asked to react to several types of marketing, ranking them from most to least important. In a follow-up question, respondents were asked to select only one type of marketing as most valuable.

Please rate the following types of marketing as “most” to “least” important.

Type of Marketing	“Most important”
Investor Marketing to attract businesses and fill storefronts	68%
Consumer Marketing to improve image and invite customers	40%
Local Marketing that targets downtown residents and employees	25%
Special Events & Festivals that attract visitors	23%

Which ONE of the previous marketing approaches is most valuable to you as we move forward?

Type of Marketing	Most Valuable/One Choice
Investor Marketing to attract businesses and fill storefronts	62%
Consumer Marketing to improve image and invite customers	22%
Local Marketing that targets downtown residents and employees	8%
Special Events & Festivals that attract visitors	6%

A similar set of questions related to rating the importance of several project opportunities within downtown.

Please rate the following project opportunities as “most” to “least” important.

Project Opportunities	“Most important”
Activating storefronts and attracting businesses to Euclid corridor	62%
Continued investment in downtown’s historic districts	38%
Planning to capitalize on the Medical Mart & Convention Center	31%
Improvements to urban parks	28%
Streetscape improvements throughout downtown	27%
Extending the frequency and reach of the downtown trolley	20%

Which ONE of the preceding project opportunities is most important as we move forward?

Project Opportunity	Most Important/One Choice
Activating storefronts and attracting businesses to Euclid corridor	52%
Planning to capitalize on the Medical Mart & Convention Center	15%
Continued investment in downtown’s historic districts	13%
Streetscape improvements throughout downtown	10%
Improvements to urban parks	10%
Extending the frequency and reach of the downtown trolley	3%

CUYAHOGA COUNTY TOTAL MARKET VALUATION AS OF SEPTEMBER 15, 2009
 FOR VALUATION PURPOSES: BASELINE BID VALUES

Schedule of Assessments

Exhibit B

PARCEL ID	PAR_OWNER	PAR_ADD1	PAR_STREET	PAR_ST	PAR_ZIP	LEGAL	FF	TOTAL	Petition	SID Service	Total	FIVE YEAR Assessment SCHEDULE				
												Value	2011.00	2012	2013	2014
								Value	Frontage	Assesme	(Year 1)	(Year 2)	(Year 3)	(Year 4)	(Year 5)	
10109046	G.C.R.T.A.	1240	W 6	ST	44113	1135	262.3	8090300	262.3	0	9303.85	11336.67	11676.77	12027.07	12387.89	12759.52
10109062	GREATER CLEVELAND RTA	711	LAKESIDE	AVE	44113	161.4	3.7	1123600	2.04	0	1292.14	1307.95	1347.19	1387.60	1429.23	1472.11
10114029	G.C.R.T.A.		W 10	ST	44113	0	0	25900	0	0	29.79	29.79	30.68	31.60	32.55	33.52
10122003	GREATER CLEVELAND RTA		CANAL	RD	0	0	0	140900	0	0	162.04	162.04	166.90	171.90	177.06	182.37
10123050D	G.C.R.T.A.		RTA		0	0	0	14000000	0	0	16100.00	16100.00	16583.00	17080.49	17592.90	18120.69
10131024	GREATER CLEVELAND RTA		CANAL	RD	44115	2024	2024	170700	0	0	196.31	196.31	202.19	208.26	214.51	220.94
10131025	GREATER CLEVELAND RTA		EAGLE RAMP		0	2322	2322	137200	0	0	157.78	157.78	162.51	167.39	172.41	177.58
10131032	G.C.R.T.A.		ONTARIO	ST	44115	121.7	121.7	6200	0	0	7.13	7.13	7.34	7.56	7.79	8.02
10131033	GREATER CLEVELAND REGIONAL		ONTARIO	ST	44115	37.9	37.9	18800	0	0	19.32	19.32	19.90	20.50	21.11	21.74
10131034	G.C.R.T.A.	02315	CANAL	RD	44115	0	275	208300	275	0	239.55	2370.80	2441.92	2515.18	2590.63	2668.35
10301029	GCR1A		E 17	ST	44115	0	104	1000	52	0	1.15	403.00	416.27	428.76	441.63	454.87
											37091.92	33054.68	34046.32	35067.71	36119.74	