

NEIGHBORHOOD IMPROVEMENT DISTRICTS (NIDs)

- Council designates particular areas of land as a "neighborhood" that will benefit from a particular public improvement.
- Formation of NID begins with property owner petition signed by owners representing 2/3rds of area or by election.
- Council may authorize issuance of GO bonds to finance construction of identified improvements.
- Special assessments are levied against benefiting property owners to pay back the bonds.
- NID bonds are counted against general obligation debt limit.

Advantages:

- City does not need to do an election to issue GO bonds if it pledges current revenue streams to back the bonds.
- Requirements to form district are not as involved as those for a CID and the NID is not a separate public entity.

Disadvantages:

- A fairly large majority of landowners must approve the formation of the district.
- City could end up picking up the tab for landowners who default on their payments.

Potential NID Projects:

- Improved upgraded street lighting.
- Sidewalk repair or replacement.
- Street or curb repair.
- Storm water and sanitary improvements.

COMMUNITY IMPROVEMENT DISTRICTS (CIDs)

- Formation is requested by a petition of property owners within the proposed district (more than 50% by both assessed value and by number of owners)
- City Council has a public hearing.
- The district is approved by ordinance.
- Best used when there could be multiple improvements contemplated to cover a large geographic area.
- CID bonds are payable from District revenues and are not an obligation of the City or County.

Advantages:

- Do not need to go to Circuit Court to form the District. Paperwork is extensive but easier than a TDD.
- The District has several funding sources available.
- CIDs are separate entity with a separate board and therefore are not directly controlled by City or County (in political subdivision form, the City/County can appoint directors).

Disadvantages:

- Creating a separate entity can cause problems unless a Redevelopment Agreement is used to stipulate exactly what projects will be funded as well as to specify the life of the District.
- Deciding the fairest way to determine what revenue sources will be used.

Potential NID Projects:

- Downtowns
 - Maintenance & cleanliness
 - Parking & security
 - Decorative lighting and banners
 - Streets, sewer, sidewalk improvement or replacement