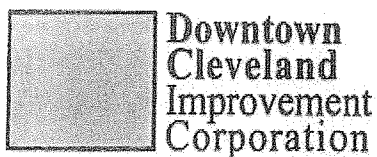


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Exhibit D

**Comprehensives Services Plan
for the Continued Operations of the
Downtown Cleveland Special Improvement District
for the Period of 2016 - 2020**

**Submitted by the
Downtown Cleveland Improvement
Corporation**



 **Downtown Cleveland Alliance™**

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Attachment A: Map of the Downtown Cleveland SID Boundaries

I. Background

Downtown Cleveland Improvement Corporation (DCIC) and Downtown Cleveland Alliance (hereinafter collectively referred to as "the Alliance") are entering their tenth year of providing exceptional services and leadership to the Downtown Cleveland Special Improvement District. Downtown Cleveland Alliance (DCA) is the non-profit organization established to serve as the managing entity for the operation of the Special Improvement District (SID). DCIC, the legal entity for collecting property assessments within the SID, contracts with DCA for the delivery of day-to-day services. Thus, DCA also serves as the public facing entity that provides a recognizable brand for DCIC and the SID. Over this time, the Alliance's profile and scope of work has grown and matured. From a modest starting point in 2006, our role in the advancement of Downtown Cleveland has evolved from helpful to crucial, and the impact of our services is now undeniable.

2014 was a highly significant year for both the Alliance and for Downtown itself. Investments in the core have hit a high of \$5.5 billion since 2010; residential occupancy remains over 95% even as new product comes online; and talent-seeking businesses are feeling the significance of a downtown address. Global trends are aligning like never before to support the notion of dense, diverse, walkable and livable urban environments, and the Alliance has been essential in readying Downtown Cleveland to capitalize on those trends.

Moving forward, working closely with our neighborhood-based partners, the Alliance will take the lead in sustaining this positive momentum and ensuring that all downtown stakeholders are aligning their work to achieve a fully-connected, amenity-rich, equitable and accessible urban center.

As the Alliance continued to deliver on the core initiatives that drive the SID's mission, we also set out this year to address the recommendations of a 2013 organizational assessment described below, which was undertaken with the intent of understanding best practices and opportunities for growth as the Alliance approached this point of SID reauthorization.

Consultant Observations & Recommendations for the Alliance

During the late summer of 2013 the Alliance contracted with national downtown consultants Paul Levy and Brad Segal to conduct an organizational and strategic positioning assessment that would provide recommendations for the next steps in the downtown's evolution.

Opportunities for the organization included Downtown Cleveland's robust recovery from the economic recession; the development of, and apparent continuing demand for, significant residential and hotel projects; growing public interest in and support for creating quality public spaces, and the upcoming renewal of its primary funding source, the assessment-based SID. Challenges include setting priorities for responding to a variety of requests and recommendations for new downtown improvements; diversifying

the Alliance's revenue base beyond its current reliance on SID and foundation funding; and capitalizing on the current economic upturn, maintaining momentum and avoiding another "bust" cycle.

Levy and Segal conducted a site visit to Cleveland in mid-August 2013, meeting with more than 60 Downtown stakeholders through a series of 20 individual and small group meetings. In addition, they reviewed recent Downtown planning and market studies and a variety of Alliance and SID operational documents, including work plans, grant proposals, marketing and branding materials, budgets and board meeting minutes.

From this review Levy and Segal identified three primary recommendations for the Alliance:

- 1) Broaden the Alliance's reach, nurture new business and civic leadership and diversify its revenue through the introduction of an expanded membership program.
- 2) Consider expanding the scope and revenue of the SID in the upcoming renewal, adding to current clean, safe, business development and marketing services the capacity to plan, build and maintain both streetscape and place-making enhancements.
- 3) Commission a Downtown Vision and Tactical Plan to create a cohesive Downtown vision, connect Downtown's various nodes of activity, establish new strategic priorities and clarify responsibilities for implementation among the various downtown-focused organizations.

The Alliance embraced their recommendations through the following initiatives:

Expanded Membership Program

While the Alliance already had a modest corporate membership program in place, the goal of expanding and enhancing the program was to create a "community-building" strategy that would encompass all of Downtown's primary stakeholders, including top level executives, mid-level managers, other employees, residents and other downtown advocates. A robust membership services division within the organization is a way to better harness the energy of young residents and employees, identify new, highly motivated board members, generate new revenue through membership dues, and help anchor new and existing businesses into the downtown fabric.

Strategic Planning Process

A major undertaking for the Alliance in 2014 was the strategic planning process which came to be known as *Step Up Downtown*. *Step Up Downtown* is a vision and tactical plan for linking and enhancing development, public spaces, and destinations in Downtown Cleveland. The plan knits together a number of recent project and district planning efforts and develops downtown-wide strategies to guide both private and public investment decisions through Downtown's next economic cycle. The plan successfully positions the Alliance to set the agenda for that cycle, and to take on more of a "placemaking" role in

addition to our traditional "place management" work program, by which the Alliance would take the lead in creating the type of continuous urban fabric expected of a world-class city.

A market analysis was a key research component. Completed by Progressive Urban Management Associates, the findings of the market analysis underscored the importance of a placemaking agenda and focus on connectivity for the Alliance. The findings clearly illustrated that Cleveland is trending similarly to the nation and the world where the preferences of Millennials and Baby Boomers are the key drivers of development in the office, residential, and hospitality markets. These preferences are heavily geared toward walkable, bikeable, transit-friendly, safe, and vibrant environments. The Millennial Generation will make up 50 percent of the workforce by 2020, and women have already become more than half of the labor force in the U.S. These overlapping groups and their attraction to well-connected urban environments that offer a variety of amenities – everything from socializing and shopping to grooming and childrearing – will continue to drive commercial and residential real estate decisions in the next investment cycle. As the job base and residential population continue to grow in Downtown Cleveland, it will also be critical that affordable housing for the workforce, moderate income, and recent college graduate populations be supported.

The market analysis was complimented by a broad outreach effort that incorporated nearly 2,000 community voices into the planning process through focus groups, an online survey and a large interactive public meeting. Coordinated by the Kent State University's Cleveland Urban Design Center, input from a diverse cross section of downtown stakeholders helped identify key issues, physical improvements and policy changes that could advance Downtown over the next decade.

The synthesis of the market analysis and outreach process resulted in 1) a development framework to make Downtown easier to understand from an investment standpoint 2) a prioritized list of key connections to address where there are currently gaps, barriers, and opportunities for improvement in the public realm; and 3) implementation recommendations that will help the Alliance and its partners realize a more fully-connected urban experience in Downtown Cleveland. These recommendations are broken down into short, mid, and long-term action items that will provide new focus to our work program over the next 5-7 years.

Reauthorization of the Special Improvement District

The final imperative for the Alliance in 2014 was to focus on the reauthorization of the Special Improvement District (SID), whose current five (5)-year term will expire at the end of 2015. The Alliance began the reauthorization process 18 months before the term expires to ensure enough time for stakeholder outreach, crafting a new Comprehensive Services Plan, circulating the petition to property owners and securing the necessary number of signatures before submitting the package to City Council for approval. The Alliance aims to complete the legislative process by mid-2015 to ensure a smooth transition into the next term, which begins on January 1, 2016.

In September of 2014, the Alliance staff undertook a series of eight (8) focus group meetings designed to give DCA and DCIC Board members, as well as SID property owners a chance to provide feedback to the renewal effort. Discussions, led by Alliance staff, were designed to secure feedback on the following areas: program priorities for the renewal; the length of the renewal; the boundaries of the District; the assessment methodology; the annual cost of living adjustment; and the contract services relationships developed by the SID with adjoining neighborhoods.

Based upon the feedback staff received from the approximately 80 individuals who participated in these sessions and subsequent feedback from DCA and DCIC Board meetings, the following consensus was reached going forward:

- 1) Program priorities in the renewal were to maintain the same level of comprehensive Clean and Safe services, continue to invest in the Business Development Center and Business Development Marketing, and develop a stronger role for the Alliance in advocating on behalf of downtown
- 2) The length of the renewal should be for five (5) years
- 3) The boundary of the SID should be modified to include the Flats East Bank Phase II site; other areas interested in SID services would be achieved through contract relationships (*see attachment A*)
- 4) The current benefits formula for the assessment methodology will be continued and 2014 certified property values will be used to derive value for the final year assessment schedule
- 5) The cost of living adjustment in the plan will be 1% annually
- 6) The SID will continue to provide contract services to existing partners and will explore additional contract opportunities which provide financial and strategic benefits to the Alliance

While feedback was supportive of using the principles of *Step Up Downtown* and the recommendation of our consultants to guide our existing work program, the consensus of our stakeholders was that the Alliance should leverage assessment dollars being spent on the Clean and Safe Program, Business Development and Marketing with other community financial resources to fund public realm investments.

II. Work Program Highlights and Priorities

The Alliance's day to day work program continues to fall within the following five priority program areas: Clean and Safe; Business Development; Business Development Marketing; Urban Planning and Design; and Strategic Initiatives.

Clean and Safe

The Alliance's flagship Clean and Safe Ambassador Program is inherently aligned with the goals of *Step Up Downtown*. Downtown Cleveland's ability to capitalize on the preferences of Millennials and Baby Boomers, who are flocking to vibrant urban environments, relies on our historic and continued ability to

keep the streets of Downtown Cleveland free of litter, graffiti and debris; safe for pedestrians and hospitable to tourists.

In addition to the services we provide within the SID boundaries, the Alliance provides services through several contract relationships as well, including Ohio City, Detroit Shoreway, Old Brooklyn, Northcoast Harbor and the Port of Cleveland.

The Clean and Safe Program also plays an important role in the delivery of social services to the homeless in Cleveland, through our GeneroCity Cleveland program, through which we help individuals procure the essential documentation they need, such as birth certificates, state IDs and police records. GeneroCity also provides transportation for homeless individuals to doctor's appointments, job training sites, CMHA and HUD sites, pharmacies and meal-serving facilities.

2014 also saw the third season of our SEEDS workforce readiness program which, in partnership with Lutheran Metropolitan Ministries, provides workforce readiness training for clients of the 2100 Lakeside Emergency Men's Homeless Shelter. Under the supervision of the Clean and Safe Ambassadors and the staff of our GeneroCity program, participants in SEEDS gain valuable landscaping experience and the soft skills associated with successful employment.

Business Development

With a strong foundation of a clean, safe and walkable downtown in place, four years ago the Alliance expanded its services to include business development and marketing. In the 2011-2015 Comprehensive Services Plan, the Alliance committed to focusing on business attraction and retention, leadership & policy, image and branding, and Euclid Avenue development.

Business Development Center

The Alliance established a Business Development Center (BDC) in 2011 to lead and coordinate these initiatives. The BDC provides a single point of contact for business leaders, commercial real estate brokers, investors, and developers. The BDC's services include assistance with site selection, securing financial incentives, and market research. The Alliance's business development and marketing goals are to reduce office vacancy; increase residential development; and attract retail amenities.

Reducing Office Vacancy

Since the Alliance formed in 2006, office vacancy declined from 20 percent in 2006—including a first quarter 2011 high of 23.3 percent—to 17.1 percent. The Alliance work's helped achieve this reduction through a two-pronged strategy: 1) Office tenant attraction and retention and 2) Reducing obsolete inventory.

The BDC's attraction and retention strategy is rooted in taking advantage of the increasing importance of talent attraction to business location decisions. With the Millennial Generation projected to comprise 50

percent of the workforce by 2020 and preferring to live in walkable urban centers with short commutes, the BDC works to help businesses understand the need to offer work locations close to this growing population and workforce. Overall, since the first quarter of 2011, over 60 office, retail, and hospitality businesses committing over 6,000 jobs have relocated or opened in Downtown.

The other component of the Alliance's vacancy reduction strategy is to drive down vacancy rates through the redevelopment of historic buildings into residential and mixed-uses. This strategy takes vacant square footage out of the market and also reduces vacancy by relocating office tenants from buildings being converted to residential use to other office vacancies. The BDC works with businesses, property owners, and commercial real estate brokers to ensure office tenants in historic buildings undergoing redevelopment remain in downtown. Since 2006, the Alliance's work has helped eliminate over 2.5 million square feet of inventory from the market.

Residential Development

Most of the eliminated inventory has been converted to meet pent up demand for downtown living. Because demand is so strong, the BDC staff works to increase supply rather than demand. Market rate occupancy has been over 95 percent for nearly 3 years. Overall, the downtown population increased to over 13,000. Based on the Step Up Downtown Vision and Tactical Plan, the Alliance projects that the downtown population will grow to over 23,000 people by 2021.

Retail Attraction

The BDC works to attract new retail options to downtown through outreach, market research, and technical assistance, working closely with commercial real estate brokers, developers, and retailers. Examples of the Alliance's success include the Charter One Small Business Development Competition at the 5th Street Arcades, which resulted in four new retail businesses and the Alliance's research assistance to Heinen's as it was evaluating the downtown market.

The Alliance will continue the Business Development work over the upcoming Special Improvement District term, aligning strategies around the Step Up Downtown Vision and Tactical Plan, while remaining sufficiently flexible to respond quickly to new opportunities and market dynamics.

The Alliance's 2016-2021 Business Development Initiatives will be:

- 1) **Office Tenant Attraction, Retention and Expansion** – The BDC will continue to market Downtown Cleveland and reach out to Northeast Ohio businesses about the advantages of a downtown location; continue to expand outreach and marketing beyond NE Ohio; and encourage downtown businesses expansion. Retention efforts will focus on tenants with expiring leases and those located in buildings slated for conversion to residential or mixed-use.

- 2) **Residential Development** – The BDC will continue to work with its neighborhood partners to exhaust the supply of historic buildings available to be converted to residential use; support new market rate and condominium construction; and reach out to the baby boomer market.
- 3) **Retail Attraction** – The BDC will continue its work to attract new retail tenants to downtown. The most important strategy will continue to be growing downtown's population to over 20,000 residents, an indication of critical mass important to national and regional retailers. The BDC will also continue to work with its neighborhood partners to attract local and boutique retail to complement larger retailers that enter the market.
- 4) **Leadership & Policy** – The BDC will continue to position the Alliance as a thought leader in downtown development through involvement with the International Downtown Association; NAIOP, CEOs for Cities, the International Economic Development Council. The BDC's highest policy priority will be to advocate for the continuation and expansion of the federal and state historic tax credit programs.
- 5) **Step Up Downtown** – The BDC will incorporate the development focused priorities identified in the Step Up Downtown Vision and Tactical Plan with a special emphasis on:
 - a) **Real Estate Development** – The BDC will work with property owners and developers to market "build-to-suit" and "adapt-to-suit" strategies to meet demand for Class A and modernized Class B office space.
 - b) **Promote Entrepreneurism** – The BDC will work with business accelerators, start-ups, and entrepreneurs to create new jobs and downtown office prospects. A priority will be to meet demand for a central hub for co-working, entrepreneurship, and small business development.

Business Development Marketing

The Alliance's strategic marketing plan is designed to support our business development goals and emphasizes the power of a downtown address to help businesses recruit top talent. The Alliance's strategic marketing plan consists of a brand campaign to communicate the value of a Downtown Cleveland address, a robust public relations program to help the media understand the positive changes taking place in Downtown, a portfolio of special events that help activate and attract visitors to Downtown; and support for our neighborhood-based partners in promoting the unique assets of each downtown district.

In 2014, we made an initial entrance into markets outside of Ohio with our Fortune Cover Wrap program. This program targeted the markets of New York Metro, New Jersey Metro, Boston, North Carolina, South Carolina, Washington DC and Cleveland/Akron. The target audiences within those markets were companies with 100-500 employees in the industries of technology, finance, and healthcare.

The look and feel of the Fortune program was also reflected in the Alliance's 2014 annual video, "You & Downtown Cleveland," the fifth in our series. It has already been viewed over 103,000 times on YouTube, surpassing the total annual viewership of last year's video in just five weeks.

The positive view of Cleveland these strategies have created helped the Alliance – in partnership with Destination Cleveland and Greater Cleveland Partnership – elevate Downtown Cleveland in the eyes of the selection committee for the 2016 Republican National Convention. The Alliance played a significant role in the messaging, branding, and presentation that ultimately convinced the host committee to choose Downtown Cleveland for their 2016 event, which will be one of the largest conventions the city will ever hold. We are expecting 40,000 attendees and 15,000 members of the media and are capitalizing on the positive energy in the community to put the City's best foot forward when they arrive.

Urban Planning and Design

We have equipped the Alliance to set the placemaking agenda for Downtown Cleveland and have rallied our neighborhood-based partners, as well as civic and strategic partners, around a singular vision for Downtown's continued development. *Step Up Downtown* produced a prioritized list of eighteen (18) key connections where gaps or barriers to connectivity currently exist in the Downtown fabric.

Several of these 18 key connections are already being addressed. For example, the Group Plan Commission (to which the Alliance continues to provide staffing support) is in the process of finalizing a design for the Lakefront Bridge, which will allow pedestrians unprecedented access to North Coast Harbor from the heart of Downtown. The Group Plan Commission is also set to break ground on Public Square renovations which, once completed, will enhance Downtown's central connective tissue of public space that separates east from west.

Downtown Cleveland Alliance and our neighborhood-based partners at Historic Gateway Neighborhood Corporation (HGNC) and Historic Warehouse District Development Corporation (HWDDC) are raising funding for enhancements to two more of Step Up's key connections: the Gateway Walkway and the Main Avenue Bridge Underpass.

The Alliance and our partners have already achieved a number of "quick wins". HWDDC's *Small Box* is a retail project made up of converted shipping containers located on the surface parking lot at West 6th Street and St. Clair Avenue and *Curb Appeal* is a beautification project led by Destination Cleveland with support from LAND studio, HGNC and the Alliance, designed to enhance the visitor experience on Prospect Avenue between Ontario and E. 4th Street.

The Alliance was able to create a highly-demanded resident amenity: a dog park. The *Downtown Dog Park* is approximately 3,200 square feet of fenced and gravel-filled space adjacent to Settler's Landing rapid station in the Flats. The park will be maintained by the Clean and Safe Ambassadors and programmed in collaboration with the Historic Warehouse District and Flats Forward, Inc.

With ample participation from HGNC and HWDDC in the creation of *Step Up Downtown*, we were able to support our neighborhood-based partners as they continue to create distinct identities in their respective districts. From the gateways and the GE Chandelier in Playhouse Square, to the Anthology public art project in the Warehouse District, we support the creation of unique experiences throughout Downtown.

Strategic Initiatives

The Alliance's strategic initiatives include advocacy efforts and collaboration with civic and strategic partners on projects that support our mission.

Advocacy

The primary example is our collaboration with our neighborhood-based partners to advocate for and provide technical assistance for the state and federal historic preservation tax credit programs. These programs are a key component of our efforts to drive down vacancy rates in Downtown through the redevelopment of historic buildings into residential and mixed-use properties. This strategy takes vacant square footage out of the market and also reduces vacancy by relocating office tenants from buildings being converted to residential use to other office vacancies. The BDC works with businesses, property owners, and commercial real estate brokers to ensure office tenants in historic buildings undergoing redevelopment remain in downtown.

- Over the past years period, the Alliance and our partners at the Historic Warehouse and Gateway districts have assisted seven adaptive re-use projects in achieving the highly competitive State of Ohio Historic Tax Credits, furthering Downtown's residential and hospitality momentum.

Continuing the state program, expanding funding levels, and accommodating large projects is critical to Downtown Cleveland being able to keep up with demand for housing. The Alliance's Advocacy Committee has committed to proposing legislative solutions to preserve and grow the program in the 2015-2016 state operating budget.

The Alliance City Advocates Program

Also among our strategic initiatives is our City Advocates Program for civic engagement and education. Now in its sixth year, this program receives upwards of 90 applications from motivated downtown residents and professionals who want to be involved in our renaissance in a hands-on way. The group of 30 is divided into cohorts that work on a variety of projects that overlap with the Alliance's own initiatives, thus ensuring that this group of rising leaders in the community is helping to move initiatives forward that are fully supported by both the community and the market.

North Coast Harbor

Downtown Cleveland Alliance continues its contract relationship to program and market North Coast Harbor. Our agreement with the City was recently renewed for a third year, citing great success with the

branding we rolled in 2014 and the unique programming we created to draw people to the area. The Alliance will continue to coordinate our efforts with both the historic institutions at North Coast Harbor such as the Rock Hall and the Great Lakes Science Center, as well as with the newer stakeholders working on lakefront development, including Cumberland and Trammell Crow.

While we continue to work on long-term public realm projects that will improve the pedestrian and bike connectivity to the lake, we have shown that branding and programming at North Coast Harbor can begin to make the area feel more integrated into the whole of Downtown.

Co-location with Neighborhood-Based Partners

The Alliance furthered its close alignment with HWDDC and HGNC this year by consolidating our offices into one space. We have already noted a vast improvement in our ability to coordinate business attraction and retention efforts, adaptive reuse projects, special events, and public realm improvements through co-location.

Our new address – 1010 Euclid Avenue, physically, financially and symbolically provides excellent economies of scale, as well as a refreshed sense of purpose and an office environment that reflects our organizational profiles as leaders in the redevelopment of Downtown.

Neighborhood Collaborations

Flats Forward, Inc.

The Alliance was called upon to play a major role in the creation of Flats Forward, Inc. Flats Forward's overarching goal is to revitalize the Flats into a more sustainable, safe, and thriving mixed-use neighborhood that is competitive with surrounding communities. By improving infrastructure, targeting blight, and attracting and supporting low- and moderate-income businesses and industry, Flats Forward seeks to create a dynamic and flourishing Flats neighborhood that succeeds in helping all stakeholders advance their mission; to establish an economically viable, stable, and sustainable neighborhood; and for the Flats to become a one-of-a-kind place for all Greater Clevelanders to enjoy. To this end, Flats Forward recently produced and unveiled its new Framework Plan completed by City Architecture in September 2014, which outlines recommendations for infrastructure, safety, connectivity, and beautification in the neighborhood. The plan has been well received by stakeholders and has already garnered an award from the regional chapter of the American Planning Association.

Campus District, Inc.

Downtown Cleveland Alliance has long recognized that although the Special Improvement District has a hard boundary at East 18th Street, the Campus District is widely considered to be part of Downtown Cleveland by members of both the downtown and greater Cleveland communities.

The Alliance's staff has begun working more closely in recent years with the Campus District, Inc.'s (CDI) leadership in aligning and collaborating on economic development goals and strategies. The Alliance has provided consulting and technical assistance in developing and implementing plans for the Superior Arts District, which falls within CDI's service boundary, and has also provided advocacy support for CDI's effort to improve access to Carnegie from the new Innerbelt Bridge. CDI and Cleveland State University (CSU) have both joined the DCA Advocacy Committee, allowing the organizations to further align advocacy strategies and leverage resources.

The Alliance and CDI are now exploring a collaborative arrangement by which CDI would contract with the Alliance on the implementation of its marketing and business development strategies.

III. Proposed Comprehensive Services Plan for the Downtown Cleveland Special Improvement District (SID)

The proposed services plan for the next five years (2016 to 2020) of the SID aims to build upon the following key parameters:

1. Maintain the effectiveness and scope of the clean and safe program
2. Continue to invest in the work of the Business Development Center and the Business Development Marketing initiatives
3. Develop a stronger advocacy role for the Alliance on-behalf of Downtown

Clean and Safe

Clearly the most visible and successful element of the SID has been the deployment of Ambassadors to provide supplemental clean and safe services throughout downtown. These ambassadors provide the following cleaning services:

1. Sidewalk cleaning, including removal of litter, cigarette butts and gum
2. Periodic power washing of sidewalks
3. Graffiti removal, including decals, flyers and paint posters
4. Weed abatement
5. Removal of dog waste
6. 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 and safety efforts in downtown. Working closely with the Cleveland Police Department, Safety Ambassador services include:

1. Regular patrols and ongoing communication with police to prevent crime

2. Ongoing contacts with pedestrians to provide information, directions and other types of visitor assistance
3. Safety escorts to accompany employees and residents to vehicles and other destinations
4. 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
5. In addition to Safety Ambassadors, the SID supports a contract to utilize off-duty Cleveland 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

Together, the Clean and Safe Ambassadors document impressive results in cleaning and securing downtown Cleveland. Highlights from 2014 include:

1. Clean Ambassadors picked up more than 778,719 lbs. of trash, or more than 389 tons
2. Special Projects teams removed 9,567 instances of graffiti and power washed sidewalks with more than 112,248 gallons of water
3. Ambassadors talked to more than 73,272 Pedestrians, providing directions, restaurant locations, and general information on downtown
4. Safety Ambassadors rode over 21,394 miles while patrolling on bikes enough to ride from Cleveland to Hong Kong 3 times
5. Ambassadors talked to 47,681 Business Contacts, delivering information on the SID and its programs and providing important information about downtown safety
6. Off-duty Peace Officers log more than 2,000 miles a month of coverage within the boundaries of the SID

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, and continued investment in capital equipment

Consistent with historical funding, 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 Center and Business Development Marketing

Over the last four years, the SID has supported business attraction and retention and business development marketing initiatives. Examples of this work include:

1. Attracting and retaining office tenants
2. Providing market research and technical assistance to downtown demographics for developers, investors, office tenants, retailers, and commercial real estate representatives.
3. Coordinating the Alliance's advocacy work on issues such as the Ohio Historic Tax Credit Program, liquor regulations, and transportation policy.
4. Dissemination of a highly visible brand campaign that promotes the desirability of a downtown location for office users,
5. Publication of a quarterly market update that is relied up by media, developers, investors, and commercial real estate representatives
6. Publication of three monthly newsletters that promote business development, entertainment and hospitality venues, and the NineTwelve District.

Nationally businesses are increasingly relocating to or opening satellite locations in downtowns to appeal to the millennial demographic, which will comprise 50 percent of the workforce by 2020 and 75 percent of the workforce by 2025. The Alliance's business development and marketing initiatives over the next five years will focus on taking advantage of this trend to benefit the Downtown Cleveland office market.

The Alliance accordingly proposes to the following initiatives:

1. **Office tenant recruitment and retention; residential development; and retail attraction** – The Business Development Center will continue its work in these core areas in order to reduce vacancy, increase occupancy, and drive rates. Attraction outreach to markets beyond Northeast Ohio will continue and expand.
2. **Entrepreneurism and Small Business Development** – The BDC will work with business accelerators, entrepreneurs, and civic leaders to establish Downtown Cleveland as a hub for starting new businesses and creating new jobs.

3. **Residential Development** – The Alliance will focus on meeting housing demand for the millennial generation and the emerging market of baby boomers interested in downtown living. The Alliance will work with developers and property owners to deliver condominium and townhome product to complement the strong market rate apartment inventory.
4. **Retail Attraction** – The Alliance will work with developers and property owners to attract new retail amenities and will work with neighborhood partners to attract and retain independent and boutique retailers as the growing population draws in national and regional brands.
5. **Real Estate Development** – The Alliance will work with property owners to market “build-to-suit” opportunities and “adapt-to-suit” opportunities to meet demand for new Class A and modernized Class A & B space.
6. **Market Research** – The Alliance will provide more expansive market and demographic research to meet demand from developers, investors, property owners, and commercial real estate professionals.
7. **Thought Leadership and Advocacy** – Advocacy efforts will focus on strengthening and growing the federal and state historic tax credit programs. The Alliance will utilize its involvement with NAIOP, International Downtown Association, International Economic Development Council, and CEOs for Cities to position Downtown Cleveland as a leader in downtown office and residential development.
8. **Branding and Marketing** – The Alliance will continue its brand campaign and market downtown as a valuable and desirable business location, emphasizing a downtown location as a talent recruitment tool and designing strategies to support the above initiatives.

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. Collaborations with strategic partners will be maintained to implement a number of initiatives that help advance downtown.

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 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.

Assessment Revenues

Assessment revenues in the 2016 base year reflects a 1% increase from the 2015 assessment level and incorporation of additional revenues generated from the expanded geography of the Special Improvement District. The District boundary was modified to include the footprint of the Flats East Bank Phase II Project.

The following chart illustrates the recommended budgeting for the continuation of the downtown SID:

Year	Annual SID Assessment Revenues	Inflation Adjustment From Prior Year
2016	4,063,407	1%
2017	4,104,041	1%
2018	4,145,081	1%
2019	4,186,532	1%
2020	4,228,398	1%

Annual Budgets

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 is as follows:

Program Activity	Suggested 2016 Budget	Notes
Clean & Safe Programs	\$ 2,763,117	68% of the total budget, allows for continuation of existing program and service levels
Business Development Center & Marketing Initiatives	\$ 792,364	19.5% of total budget, suggest half allocated to business development initiatives, remainder to consumer marketing, special events and strategic initiatives
Management & Administration	\$ 345,390	8.5%
Reserve/Discretionary Funds	\$ 162,536	4.0 %
TOTAL	\$ 4,063,407	

Assessment Methodology

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 Assessment Method:* Ratepayers that have participated in the SID continuation process affirmed that a formula consisting of a value component and a linear frontage component 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 Fiscal Officer as of November 19, 2014 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 follow:

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, Business Development and Marketing costs are allocated primarily to the value of 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.

$$\begin{aligned} & (75\% \text{ of Total Assessment Budget}) / (\text{Total Certified Value of Properties}) \\ & = 0.119\% \text{ of assessed market value} \end{aligned}$$

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

$(\$7.75 \times \text{linear feet of sidewalk frontage}) + (0.00119 \times \text{Certified Value})$

Value Cap: A value cap is applied to individual properties that comprise property in excess of \$50 million in Certified 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 Certified Value, the full SID assessment rate on Certified Value will apply to the first \$50 million in Certified Value and the SID assessment rate will be reduced by 50% for all Certified Value in excess of \$50 million but less than \$100 million. No assessment on Certified 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:

$$\begin{aligned}
 &(\$7.75 \times \text{linear feet of sidewalk frontage}) \\
 &+ \\
 &1.0(0.00119 \times \text{first } \$50 \text{ million of Certified Value}) + \\
 &0.5(0.00119 \times \text{Certified Value in excess of } \$50 \text{ million but less than } \$100 \text{ million}) + \\
 &0.0(0.00119 \times \text{Certified Value in excess of } \$100 \text{ million})
 \end{aligned}$$

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 1% 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 Certified Value	Estimated Rate of Assessment per linear foot of lot frontage
Year 1	0.11900 %	\$ 7.7500
Year 2	0.12019 %	\$ 7.8275
Year 3	0.12139 %	\$ 7.9058
Year 4	0.12261 %	\$ 7.9848
Year 5	0.12383 %	\$ 8.0647

Governance

The Downtown Cleveland Improvement Corporation (a non-profit organization) will continue to oversee the activities of 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.

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 2014 property database has been compiled by the SID with data from the local assessor cross-checked with a field survey
- **Annual Property Owner Satisfaction Focus Groups:** The SID will undertake an annual series of focus groups with 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.

