



To: Mayor Smith and Honorable Councilmembers

From: Tom Carroll, Village Manager *Tom M. Carroll*

Date: December 9, 2016

Subject: Annual Report for 2016

A very successful 2016 is drawing to a close. As is required by our charter, staff is providing an annual report for Council summarizing the activities of the organization in the past year. A detailed financial report will be provided in early 2017 once the financial year is completed.

This year has been a watershed for the Village. After a year of planning and negotiations, Silverton sold 10 acres of land to the Miller-Valentine Group and Jeffrey R. Anderson Real Estate for \$4,400,000 in late October. This site, assembled through 17 separate purchases by the Village in 2014 and 2015 and the cashless land swap with Cincinnati Public Schools in 2009, will contain a \$30 million, mixed-use redevelopment project. The project will increase Silverton's real estate tax base by almost 20% and income tax base by 15% through the redevelopment of only 2% of our community's land area. This is a remarkably impactful project for our community. It is also probable it will stimulate further redevelopment along Montgomery Road towards our central business district. This project is, in a word, transformative.

This year, the Village retired \$3,000,000 of bond anticipation notes and thus Silverton eliminated all short-term indebtedness. The second installment of the purchase price early next year will mean the Village's acquisition costs, including the costs of carrying the properties for two years, will be completely recouped. The Village will net \$900,000 from this sale above and beyond our real estate costs, funding that will enable significant road and park investments next year.

Another key piece of information regarding the Village's finances is that Silverton has experienced solid growth in income tax collections this year. As of the writing of this memo, the Village has received \$1,789,058 in income tax collections. Staff forecasts total collections by the end of the year will be \$1,840,000, representing a 9% increase in collections over 2015's total. The Village's income tax collection is the single best indicator of our residents' and businesses' economic vitality, and this suggests our community's economy has finally advanced well beyond the 2008 recession.

Silverton is also well positioned to leverage this additional tax revenue because the Village has obtained 13 competitive grants or donations this year. In 2016, the Village was awarded a

remarkable 95 cents in grants or donations for every dollar of our income tax collections. This is an unheard of leveraging of local income tax collections. This means the Village has garnered nearly a dollar-for-dollar match to the cumulative income tax obligation of every employee and resident in our community. The table below summarizes each grant or donation, its amount, and its purpose.

Grant	Amount	Notes
Ohio Public Works Commission	\$750,000	50% funding for Montgomery, Stewart, Euclid road project construction costs
Ohio Public Works Commission	\$270,000	Funding for North Avenue reconstruction. This project also includes a 0% loan of \$270,000.
Ohio Department of Transportation	\$240,000	Funding for Montgomery, Stewart, Euclid
Duke Class Benefit Fund	\$200,000	Energy efficiency award for the Silver Tun Brewery at 6860 Plainfield Road
Lindner Plaza Donation	\$103,000	Donation bestowed by Robert Lindner to match a 2015 federal grant for Silverton Park
Ohio Department of Natural Resources	\$75,000	State capital budget funding for Stoll Lane Park
Hamilton County Stormwater District	\$30,000	Stormwater funding for water quality improvements at Stoll Lane Park
Spot Demo Grant, Hamilton County Community Development	\$25,000	Funding for demolition of 6845 and 6875 Stewart Road.
Duke Foundation Business Coaching	\$20,000	Funding for the CIC of Silverton for supporting business growth and driving commerce
Mini-Planning Grant, Hamilton County Planning and Development	\$20,000	Funds to be used for streetscape design. The project has commenced already.
ArtsWave Impact Grant	\$7,500	Art in Public Places planning grant
Murray and Agnes Seasongood Good Government Foundation	\$5,000	Art in Public Places planning grant
Murray and Agnes Seasongood Good Government Foundation	\$4,000	Management Intern financial support
Total Grants and Donations, 2016	\$1,749,500	This is 95.1% of our 2016 forecasted income tax collection.

These awards were all announced in 2016, though much of this funding will be expended in 2017. This chart thus summarizes the work completed in 2016 to secure this funding, not when the funding will be expended. Many individuals played key roles in applying for this funding or advocating for it, including Tim Casto of Kleingers, Matt Davis of DSD Advisors, Mayor Smith, Mark Quarry, and Shirley Hackett-Austin. One can also see that the Village pursued large and small grants from a variety of public and private sources.

Goals

These grants were reflective of Council’s top three goals of fixing roads, creating jobs, and improving parks. Council established five overarching priorities for 2016 last January. These five goals can be succinctly summarized as follows: 1) create jobs, 2) fix roads, 3) improve our parks, 4) enforce codes, and 5) brand the Silverton community. Below is a recap of the efforts the Village made in 2016 as they relate to each of these Council objectives.

Job Creation

As already mentioned above, the Village closed a historic economic development deal in October. This project will involve adding 204 new luxury apartments and townhomes and 60,000 square feet of offices and retail. Once these are completed, we expect the new residential units will reverse Silverton's gradual population loss since the 1960 Census, and may well return Silverton to city status after the 2020 Census. Additionally, the offices and stores will add an estimated 250 new employees to our community. These new residents and workers will in turn support our existing businesses, having multiplier effects throughout the Silverton economy. Construction will start in 2017 on this project, and Phase I will be completed in 2018. The Miller-Valentine Group and Jeffrey R. Anderson Real Estate are two of our region's most accomplished development teams.

This project required an amendment to the Community Reinvestment Area (CRA) tax abatement program to include a mixed-use CRA. This amendment process required a comprehensive housing study, legislation, and coordination with Cincinnati Public Schools and the Ohio Development Services Agency. The new CRA was completed in approximately 120 days earlier this year.

In addition, the Village has reconstituted the Community Improvement Corporation of Silverton. The CIC will undertake its first project in early 2017, purchasing 6860 Stoll from the Village. This will in turn create a modest income stream and establish a credit record for the CIC. Silverton is also working to advocate on behalf of our oldest business, Meier's Wine Cellars, as it deals with the Metropolitan Sewer District. Silverton is pursuing a grant to help Meier's with its public sewer issue. Also, the BMW dealership on Stewart has completed two major improvements in three years to drive more automobile sales in our community.

Finally, the Village has been working with prospective partners to turn the Silverton Memorial Municipal Building into a craft brewery. The craft brewing renaissance is sweeping our state, but is particularly strong in the Cincinnati area. Craft brewing can have tremendous economic multiplier benefits to a neighborhood, and Silverton is working to find a way to capitalize on this economic wave. A great deal of work remains for the Village to see if this is possible, but this project could accelerate very rapidly as 2016 draws to a close.

Jobs Summary

Silverton is already enjoying a revitalized economy and is poised to enjoy substantial additional commercial activity. Council has proactively changed the trajectory of our economic path. Our eastern gateway will be built up, drawing economic activity from the Kenwood area towards our central business district. A craft brewery could become a catalyst to additional redevelopment in our central business district, and the relocation of our municipal operations could stimulate transformations in other parts of the community's business corridor. The Village effectively managed debt to assemble land in recent years, and this debt is now retired completely. The Village has funds in excess of our real estate costs to invest in parks, roadways, and other projects.

Roads

Silverton rebuilt or resurfaced 9,580 linear feet of roadway in 2016, equal to approximately 6% of our road system. This includes completing projects on South Broadlawn, North Broadlawn, Gatewood, Sibley, and Blue Ash Road. Additionally, sidewalk work was completed on these

streets, making them much more pedestrian-friendly and wheel chair accessible. While a proposed residential sidewalk program has been delayed until 2017, the Village was nevertheless able to make a big and positive improvement to our community's walkability in these two neighborhoods.

The Village is well positioned to continue an aggressive road program in 2017. The Village learned in May that we will receive a \$270,000 Ohio Public Works Commission grant and a \$270,000 OPWC loan (0%) for North Avenue. This project was designed over the summer and bid in September. The bids came back below budget and this project will start with a waterline replacement in December. The Village also included pricing bid alternates to mill and resurface Oak, Lillian, Walker, Woodford, Grand, and Gardner. Council authorized this work in October and the work will be completed next spring. Council also provided 50% matching funds for a \$1.5 million construction project on Montgomery, Stewart, and Euclid, and the Village has obtained a \$750,000 OPWC grant to match our local investment. Targeted improvements are contemplated for portions of Highland, Section, Alpine, and Park View. It is hoped the Village will receive funding for Park Avenue's complete reconstruction in May through the OPWC small government program, expanding our 2017 road program even more.

Road Summary

Between 2014 and 2016, the Village has completed the replacement or resurfacing of 22% of our community's road system. And by the time our 2017 program is completed, Silverton will have replaced or resurfaced 30% of our roadway system in just four construction seasons going back to 2014. The Village is still catching up on deferred maintenance during leaner financial times, and major reconstruction projects are anticipated in 2018 or 2019 on Elwynne and Kenton. Still, Council's recent investment in our road system has been extraordinary.

Code Enforcement

Silverton issued 317 notices of various property maintenance and other code violations in 2016. Of these 317 notices, 270 complied within the allotted time or authorized extension. This is an 85% voluntary compliance rate. Of the remaining 47 non-compliant issues, Silverton has taken actions to remedy the problem when possible—mostly mowing tall grass and assessing the property owner's tax bill for the work. Compelling the non-complaint property owners is far more labor intensive, as it often involves out-of-state parties or properties at some point of the foreclosure process. Of special note, however, the highly-visible Woltz Building was completely repainted in the spring of this year. This prominent building is still uninhabited, but it no longer is an eyesore.

Code Enforcement Summary

Silverton has tackled many of the worst property maintenance issues in our community, and a sustained application of enforcement actions is starting to reap noticeable results. Code Enforcement Officer Jim Repogle has worked with a substantial majority of our property owners to achieve voluntary compliance. Jim accommodates reasonable extensions whenever possible, and follows up regularly. Silverton will now be moving into a more difficult level of enforcement activity, including court actions.

Parks

World War II veteran, notable businessman and local philanthropist Robert Lindner unveiled the Lindner Family Veterans Plaza in Silverton Park on May 30, 2016. This \$223,000 project was

funded by Mr. Lindner personally matching a \$100,000 federal grant. Mr. Lindner was joined by his family, U.S. Congressman Brad Wenstrup, Mayor Smith, Deer Park Mayor Donnellon, and Sycamore Township President Weidman at this ceremony. The project included a new Veterans plaza with a water fountain, five markers for each of the five branches of the military, three new flag poles, and a new monument for the Korean War to round out the “walk of wars”. This project has been a priority of Mayor Smith’s since he first became our community’s Mayor. This location is the point of departure for the annual Memorial Day Parade held jointly with Sycamore Township and Deer Park.

Park planning efforts were also substantially advanced in 2016 for the next round of park improvements. Land was set aside from the former school site for a pocket park on Stoll Lane, and funding was obtained for this project. Silverton is under contract to purchase another property on Stoll Lane on December 15th to expand this green space. Also, grants were obtained for an Art in Public Places master planning process scheduled to start in early 2017. Additionally, funds have been set aside next year to resume a summer concert series, start design of a new Vietnam memorial for the Veteran’s Plaza, commission our first piece of public art, and to continue the work of the Urban Forestry Board with a third annual tree giveaway. A new citizen committee will be established uniting and expanding the missions of the Parks and Urban Forestry boards.

Park Summary

The completion of the Veterans Plaza in 2016 is a tremendous accomplishment ten years in the making. Momentum is in place for a new neighborhood pocket park, public art, and other cultural enrichment activities in our community next year.

Branding

The final Council goal—branding and marketing—made great strides this year. First, a new group was formed called the Friends of Silverton. The Friends launched quarterly “meet and greet” functions, dropped off scores of “welcome to Silverton” bags, and advocated that the Village rekindle its summer concert series. Second, the Village launched a Facebook site this year and has 108 followers. Third, the Village of Silverton now has 180 people receiving our weekly “E-Connector”. Fourth, the Village has continued to update its website and provide quarterly print newsletters. Fifth, Silverton received media attention with two major stories featuring our redevelopment project. The first was published in January in *The Business Courier* and the second followed the closing of our sale of 10 acres in October in *The Cincinnati Enquirer*. The Village Manager was invited to speak on television and radio news following *The Business Courier* article. These stories have started to raise greater awareness in the region that Silverton is on the move.

Finally, if we do proceed with a craft brewery partnership, it is naming itself the Silver Tun Brewing Company. This clever play on words—a mash “tun” is a large, metallic tank that brewers use to make beer—will introduce Silverton to a broader craft brewery community. It will also spread our small community’s identity by having a retail product associated with Silverton.

Brand Summary

Anecdotal evidence abounds that Silverton is being discovered by a new generation. With a convenient location to downtown, uptown, and Kenwood Mall, Silverton is an ideal location to live.

Other Notable Issues

The above report speaks to the goals and objectives Council set for 2016, yet Village activities were not limited to these goals only. Below are several other issues of note.

Law Enforcement

It is not an overstatement to say that the decision in 2014 to contract with the Hamilton County Sheriff's Office laid the groundwork for all the activities described above for 2016. That decision created structural balance to Silverton's operating budget and enabled Council to invest with confidence in economic development. Our success this year stems directly from that decision two years ago. And this year, the Hamilton County Sheriff's Office launched a bike patrol with great success and popularity. Lt. Butler has reported that serious crime and calls for service are trending downward, meaning criminal activity is being suppressed or displaced. After two full years, the partnership between Silverton and Sheriff Jim Neil's team continues to pay off for our community.

Awards

This partnership was recognized by the Ohio City/County Management Association in February. Silverton and the Hamilton County Sheriff's Office received the prestigious OCMA award for intergovernmental cooperation; Mayor Smith, Vice Mayor Wilson, Sheriff Jim Neil, Major Mike Horton, Lieutenant Tom Butler, and Village Manager Tom Carroll were all present to receive this award. Silverton's Village Manager also received an award for career mentorship and development from OCMA at this same conference.

Deer Park Silverton Joint Fire District Advocacy

Silverton has been more engaged in advocating important issues before the Deer Park Silverton Joint Fire District (DPSJFD). First, Silverton's representatives pointed out a number of ways in which the DPSJFD board was not adhering to its bylaws, and was taking superfluous actions not required by its rules. For example, it became clear in the spring that DPSJFD had not held an election for officers, as is required annually by the bylaws, since 1999. The same Deer Park representative has served as the president of the board this entire time period, and he has not stood for election since at least 1999, if indeed he ever did. And while the board has not followed its bylaws, it has taken on practices not required. For instance, the DPSJFD board has made a practice of reviewing and approving expenditures already paid by staff, sometimes two or three months previously. This practice was not mandated and took up a considerable amount of time at board meetings. It is unclear why or how this practice began, or what would have happened had the board ever not approved expenditures that had already been made.

Additionally, with Silverton's continued advocacy, the DPSJFD approved engaging a consultant to review the district's hiring practices and explore ways to diversify our applicant pool. The workforce, and particularly the fire district's full-time ranks, simply do not mirror the diversity of the two communities that it serves. Finally, the DPSJFD board adopted an anti-nepotism policy, and has created a procedure to deal with the one known familial-supervisory relationship in the organization that presents a clear and present conflict of interest. This had gone unacknowledged until Silverton representatives pointed this out and insisted that it be addressed.

The DPSJFD has provided very good fire and emergency service protection since its inception, and Silverton's advocacy is helping the board to explore new ways to make its overall governance better.

Belkenton Litigation

The property owner of 6760 Belkenton has two lawsuits against the Village of Silverton. In 2016, Silverton won the first round of one of these lawsuits. This litigation stems from zoning violations committed by the property owner in 2015, and the Village's rezoning of this property from R-1 Single-Family Residential to a PID Planned Institutional Development in July of 2015. The litigation will continue in 2017, though no court briefings or deadlines have been established as 2016 draws to an end.

Personnel

Veteran public works maintenance worker Ricardo Hacker retired in the summer after more than ten years of service. Silverton has also engaged two management interns this year. Our workforce is small, stable, and excellent. Our consulting partners such as Bryan Pacheco, Richard Tranter, and Brad Ruwe with Dinsmore and Shohl; Tim Casto, Jay Stewart, Ryan Young, and Lynne Nischwitz with Kleingers; and Matt Davis and Megan Hube of DSD Advisors have been instrumental in helping us achieve our successes this year.

Reserve Policies

And finally, the 2017 Budget and CIP presented to Council in November calls for the establishment of two financial reserves. First, next year's budget sets aside \$250,000 in the Stewart Road TIF Fund that should completely retire all TIF debt in 2026. Second, next year's budget sets aside \$150,765 in our Debt Service Fund to set aside one year's total debt payments. This is essentially like having next year's mortgage payments in the bank just in case. Silverton eliminated its short-term debt in 2016 and now will have solid financial reserves set aside to support the goals of this and future councils. Even as Council is tackling an aggressive work plan, the Village is taking proactive steps to provide long-term financial health for our organization.

Conclusion

The Village has accomplished so much in 2016, and is poised to accelerate this momentum in 2017. Our overall tax base is growing and providing more resources to make needed investments in our roads, parks, and public facilities. The job creation investments Council has made have been completely repaid, and will add significantly to the ability of future councils to meet the community's needs. Silverton's roads and parks are receiving a makeover. Data indicates that property values are rising rapidly as minimum community standards are more often adhered to and neighborhood safety is improving. Careful financial stewardship and success with competitive funding processes has allowed Silverton to stretch its dollars farther than ever before. There is a growing regional sense that Silverton is a safe, desirable, convenient, walkable, affordable, and inclusive community.

On a personal note, I am truly honored to serve Mayor Smith, Village Council, and Silverton's residents. Together, we have made tremendous strides advancing the clearly articulated goals and objectives of this community. I am eager to continue this work in 2017!