



**To:** Mayor Smith and Honorable Councilmembers  
**From:** Tom Carroll, Village Manager *Tom M. Carroll*  
**Date:** January 11, 2019  
**Subject:** Administrative Memo 2019 – No. 4, Annual Report for 2018

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As is required by §2 (D) of Silverton’s Charter, staff herewith is providing an annual report for Council summarizing the activities of the municipal organization in the past year. A detailed financial report is also being provided by Finance Director Denise Stemen as Administrative Memo 2019 – No. 5.

Council has been quite disciplined about setting strategic goals for the Silverton organization to focus our investments of time and resources. These goals tend to be rather consistent year over year, though the projects related to the goals change over time. Last year’s goals were adopted shortly after the LLK jury award of \$661,000, and this heavily influenced the goals Council set in 2018. The top goal set in February of 2018—a goal not previously on Council’s priority list—had to do with bolstering financial reserves because of the LLK verdict. Goals two through six were generally the same as previous years’ goals. Village Council set six 2018 goals by way of adopting Resolution 18 – 778 on February 15, 2018. The 2018 goals were as follows:

1. Replenish operating reserves, debt service fund reserve, and Stewart Road Tax Increment Finance District reserve to prepare for economic uncertainty,
2. Create jobs in our community to grow our tax base and provide opportunity for residents by attracting new businesses and helping existing businesses thrive and expand,
3. Improve roads and establish additional public parking in the central business district,
4. Increase code enforcement to ensure all properties at least meet minimum community standards,
5. Improve Silverton’s public facilities, including our parks and government facilities, and establish community multi-purpose space, and
6. Promote the Village and engaging our residents through public information about what is happening in the community.

This annual report will be organized around Village Council’s six strategic goals for 2018.

## **I. Replenish Operating Reserves**

The award of \$661,000 by a Hamilton County jury to LLK properties in January dramatically impacted 2018 operations and projects, and continues to impact the Village in 2019. To mitigate the potential windfall payment to LLK, the Village cut a number of approved projects out of the 2018 work plan. These included eliminating a scheduled comprehensive plan update, deferring the construction of a replacement salt storage facility, delays in purchase of replacement vehicles, and other belt-tightening measures. A number of 2019 cuts were recently detailed in the 2019 Budget and Capital Improvement Plan budget. Significantly, the LLK verdict is part of the reason why the Village has curtailed its level of services with the Hamilton County Sheriff's Office.

As part of the Village's 2019 Budget and CIP, staff calculated what the Village's "rainy day" fund or operating reserve should be. That figure for Silverton should thus be \$600,120 in 2019.<sup>1</sup> The Village may or may not achieve that target in 2019, depending largely on the outcome of three lawsuits the Village is in with LLK (an appeal of the \$661,000 jury award), Cincinnati Public Schools, and Cincinnati Bell (\$240,000 for relocating Bell assets for a public road). The Village's entire operational and capital posture for 2018 and 2019 has thus been set forth to achieve the goal of replenishing reserves once these lawsuits are finally adjudicated. As 2019 begins, the Village has reduced its operating budget and is watching how the 2019 fiscal year unfolds to see if more cuts are needed to replenish reserves.

## **II. Create Jobs**

Four job creation projects were advanced in 2018. First, Phase I of Ag 47 (the Residences of Ag 47) began vertical construction. When completed in 2019, Phase I will have 205 luxury apartments and add an estimated 300 new taxpayers to the community. Phase I does not add jobs per se, other than temporary construction jobs. But Phase I's progress is necessary before Phase II will start, and Phase II will add 60,000 square feet of commercial office and retail with an estimated 250 employees working there. Phase II is expected to commence in 2019. Together, Phase I and Phase II of Ag 47 should increase Silverton's income tax base by 15-18% on a mere 2% of the community's acreage.

Second, HighGrain Brewing Company took possession of the former Memorial Municipal Building in September of 2018. The brewery, taproom, and restaurant are expected to open in April or May of 2019. The project is expected to create between 48 and 66 full-time equivalent jobs in Silverton.

Third, the Village entered into an option agreement with the Krimmers for the sale of most of the former LiteHouse properties along Montgomery Road. The Krimmers have until August of 2019 to either close on the property, let the option lapse, or extend for another six months for a non-refundable fee. An expanded Italianette will likely have more employees, and it retains jobs by enabling the Krimmers to stay in Silverton and grow their business.

Fourth, the Village entered into a contract for the sale of 6805 Montgomery Road (the northeast corner of Belkenton and Montgomery). The prospective buyer will move a heating, ventilation, and air conditioning operation to the location in 2019. The Village obtained a \$250,000 grant from the State of

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<sup>1</sup> Interestingly, the total LLK verdict of \$661,000 is 10% greater than the Village's best practice target fund reserve. This finding puts the magnitude of the LLK verdict into proper context. The jury's verdict more than wiped out the desired operating reserve of a municipality serving almost 5,000, and is thus completely uncoupled from the fiscal and economic realities within the Village of Silverton. The Village's MAI appraisal set the value of the entire property on the southwest corner of Montgomery and Stewart at under \$240,000. The jury award was two and half times that figure even though the property has not been completely taken and Three Sweet Girls continues to operate at this location.

Ohio to study and mitigate any potential residual environmental damage left over on this former gas station site. The property is expected to sell and be redeveloped in 2019.

Job creation projects, especially ones like Ag 47 and HighGrain Brewing Company, usually span multiple years. One should consider that the Ag 47 project goes back to 2008 when the City of Silverton entered into a cashless-land swap with the Board of Education of the Cincinnati City School District. The idea of turning Silverton's Municipal Building over to the private sector goes back more than a decade too. Job creation projects require long horizons, and in a community Silverton's size, one year's time may not be enough time to measurable impact employment. Still, because of efforts in 2018, many more individuals will be employed in Silverton by the end of 2019 than at the beginning of 2018.

### **III. Improve Roads and Transportation**

Throughout 2018, the Village struggled with legal matters related to the Montgomery and Stewart public roadway improvements. The absurd and detrimental verdict in the compensation for a partial taking of property from LLK has already been discussed. Silverton is also in court with Cincinnati Bell to determine fiscal responsibility for Cincinnati Bell's costs to relocate its assets to accommodate the public roadway project. Both legal battles are expensive to litigate, and literally hundreds of thousands of dollars are at stake between these two matters. But this project will improve public safety, reduce traffic inefficiencies, and accommodate new growth (both from Ag 47 and in the region more broadly). The Village has little choice but to litigate these matters to a successful outcome.

The Montgomery and Stewart project was also delayed by Duke Energy and Cincinnati Bell. Even though the Village has been coordinating with Duke and Bell since 2015, these utility companies did not relocate their poles and wires in a timely fashion. This caused the Village's contractor to have to discontinue work in March of last year until after Labor Day. Had the project not been delayed by these utilities, the intersection would have been open prior to the start of the 2018-2019 academic school year. Finally, once the project resumed, poor soils found near the former Silverton Office Park increased the costs of this project.

While the challenges stemming from the Montgomery and Stewart public road required most of the Village's infrastructure attention, Silverton was nevertheless able to reconstruct Park Avenue in 2018. This included replacing all the sidewalks on both sides of Park Avenue. Silverton also received a grant from Hamilton County that was matched with local dollars to replace three blocks of sidewalks to connect the Ag 47 project to the HighGrain Brewing Company. All told, the Village replaced 4,301 linear feet of sidewalk in Silverton, the equivalent of four-fifths of a mile.<sup>2</sup>

### **IV. Increase Code Enforcement**

In 2018, the Village issued 306 property maintenance violation notices. Of these, 253 were taken care of by property owner within the designated timeframe (or the extension that was granted). This represents an 82.7% compliance rate. The Village had to abate 45 of these matters, mostly having tall grass cut or junk and debris removed. Village Council of course passes ordinances to place property tax assessments

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<sup>2</sup> In 2016, the Village started a new residential sidewalk replacement program. Between 2016 and 2017, this innovative program enabled the Village to inspect and replace (as-needed) one out of every eight miles of sidewalk in the community. The residential sidewalk program provided replacement sidewalks along Elm, Oak, North Fordham, West Fordham, South, Sibley, North, Gatewood, North Broadlawn, and South Broadlawn. However, this program was discontinued in 2018 because of financial pressures, including the LLK, Cincinnati Bell, and CPS litigation. It is the intent of the Village to renew the sidewalk program in 2020, or as soon as the Village's fiscal position allows.

to recover our direct costs. Five of the 306 cases were referred to Mayor’s Court, and resolved satisfactorily thereafter. Three cases are still pending as 2018 came to a close.

Below is a table showing annual property maintenance enforcement activity since 2014:

Year	Citations Issued	Compliance Rate
2014	376	82.5%
2015	160	90.0%
2016	317	85.0%
2017	424	86.6%
2018	306	82.7%

Additionally, the Village undertakes periodic zoning code enforcement efforts which has led to a reduction in illegal signs, the elimination of several legal but nonconforming pole signs, and other similar standards enforcement activities. Both zoning code and property maintenance enforcement are part of the broader effort to ensure minimum standards are met in the Silverton community. These efforts must be sustained over time; one can never cross these tasks off the to-do list.

Silverton’s sustained code enforcement activity in the last half of a decade has paid dividends. In 2018, Silverton was listed as the fastest selling housing market in Hamilton County by *The Cincinnati Business Courier*. There are many factors that have made this milestone possible, but suffice it to say that our homes would not be so desirable in the marketplace if the Village of Silverton were not enforcing our codes so effectively.

## V. Improve Public Facilities

On September 15, 2018, the Village formally dedicated the newly-renovated Town Hall. The new building accommodates District 4 headquarters for the Hamilton County Sheriff, has accessible council chambers for the public, and is customized to meet the Silverton organization. The project is part of a broader strategy to draw revitalization westward along Montgomery Road, and it enabled the preservation and renovation of the former Memorial Municipal Building to serve as HighGrain Brewing Company. The total project to acquire and renovate the former Thompson, Hall, Jordan funeral home was \$2.2 million. Funding came from a \$1.5 million bond, \$200,000 from a Duke Class Benefit grant for the geothermal system, \$107,000 Community Development Block Grant through Hamilton County for accessibility improvements, and the balance coming from 2018 cash on hand.

Silverton also dedicated a pocket park on Stoll Lane in September. The park features a wetland educational area, front-porch style swings, a free lending library, and an area to eventually accommodate a public art display. Finally, the Village dedicated our first public art piece, partnering with Women Writing for (a) Change, ArtWorks, Hamilton County Planning + Development, and the Village. Last year was a remarkable successful year for improving the Village of Silverton’s public facilities.

## VI. Promote the Village

The Village of Silverton used a variety of tools to communicate with our residents and other stakeholders. These include the Silverton Circle (2,660 copies are distributed quarterly to all Silverton mailing addresses), Facebook (the Village had over 1,225 followers at the end of 2018), the Silverton e-Connector (367 subscribers), and Instagram (192 followers). All of these non-print followers, recipients,

and subscribers are new in the last four years. The Village also used Code Red to send pre-recorded telephone messages to over 2,200 callers. Code Red is undoubtedly most popular when Mayor Smith sings to his constituents. Suffice it to say the Village is gradually building several platforms to communicate important and timely information to the community.

In addition to these tools, the Village earned several distinctions in 2018. These include:

- Silverton was awarded the coveted Frank F. Ferris II planning award by the Hamilton County Planning Commission for Silverton's 2017 Art in Public Spaces Master Plan.
- Silverton was noted to be the fastest-selling housing market in Hamilton County in *The Business Courier* in 2018.
- The Village's summer intern and the Village Manager co-authored an article about Silverton in the premier publication of the International City/County Management Association, or ICMA. *Public Management* is a monthly publication for ICMA's 10,000 members, and *PM* features articles about best practices in local government and leadership.
- Vice Mayor Shirley Hackett Austin participated in a CET segment (that has not yet aired) about Silverton's art in public places partnership with ArtsWave.
- The Village Manager was one of four individuals awarded a research fellowship from ICMA. This year-long project will last until October of 2019, and will focus on best practices first suburban communities like Silverton can use to revitalize.
- Silverton produced a video about the making of the *All in It Together Mural*® which is available on the Village's website.

The Village has a tremendous amount of momentum, and there are a number of vehicles by which Silverton shares and receives information with the public.

### **Goals Not Sufficiently Advanced**

Despite all of the above accomplishments, the Village was unable to advance all of Council's objectives. Specifically, no measurable progress was made on central business district public parking or on providing multi-purpose community meeting space. Additionally, the Village's various expenditures in 2018 did not rebuild debt reserves and unrestricted General Fund balances. Simply stated, by the time the LLK verdict was handed down last January, the Village's Town Hall renovation contract was well underway. Contractual obligations had been made both to the Town Hall general contractor and HighGrain Brewing Company could not easily or sensibly be undone to boost reserve levels.

The Village's relatively small size and therefore limited resources do not enable us to advance all goals at the same time. Achieving progress on all of these goals requires more time than twelve months. Silverton has only eight full-time employees and two part-time employees, and much of our work is accomplished through contractual relationships (solid waste through Rumpke, law enforcement through the Hamilton County Sheriff's Office, legal services through Dinsmore and Shohl, building inspections through NIC, etc.). All of Silverton's employees are operating at a very high operational tempo, and our consulting and contractual partners are working incredibly hard to provide excellent services. While there are some goals that have not been adequately advanced in 2018, the Village should

be quite proud of its 2018 accomplishments. To use a sports analogy, Silverton boxes well above our weight class through the hard work and dedication of many individuals.

### **Conclusion**

Considerable progress was made last year on each of the six Council goals. The upcoming year will in most ways be a continuation of the projects and programs the Village has been focused on for the last five years. By the end of 2019, a great deal more should be known about the Village's financial reserves and Silverton's tax base expansion. The road system will be improved, additional Silverton Park enhancements will be constructed, and Phase I of Ag 47 will add over 200 new households to the community. As Mayor Smith has taken to saying, "Our best days are here."