



To: Mayor Smith and Honorable Councilmembers
From: Tom Carroll, Village Manager *Tom M. Carroll*
Date: December 27, 2019
Subject: Administrative Memo 2019 – No. 37, Annual Report for 2019

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 will also be provided by Finance Director Denise Stemen once the 2019 fiscal year is closed and reconciled.

On January 17 of 2019, Village Council adopted Resolution 19 – 796 which established the following six goals for the year drawing to a close:

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 report provides a narrative focusing on progress made advancing each of these six goals adopted by Village Council.

I. Replenish Operating Reserves

As 2019 draws to a close, the Village is now done with three lawsuits that have taken considerable time, investment, and effort throughout 2019. These lawsuits included disputes with Cincinnati Bell (won), Cincinnati Public Schools (draw), and Three Sweet Girls (loss). While each of these disputes was

absolutely necessary and the Village's position in each case was well reasoned, it is truly a good thing for the community to be able to put these lawsuits in the rear-view mirror.

Cincinnati Bell

The Village won its dispute with Cincinnati Bell. Bell sought to have the Village pay for Bell to relocate Bell's infrastructure in the public right of way as part of the Montgomery and Stewart Road Improvement project. Even though the Village disputed the rationale for the litigation, Silverton placed \$240,000 in a court escrow that would have been awarded to Cincinnati Bell had Silverton lost its dispute. This escrow allowed Bell to proceed with the relocation so as not to hold up Silverton's road project while the court decided which argument was right. This summer, Judge Leslie Ghiz ruled against Cincinnati Bell and in favor of the Village. Silverton received its \$240,000 escrow back, and these funds are now returned to the Village's rainy-day fund.

Cincinnati Public Schools

In August of 2017, the Miller-Valentine Group and Jeffrey R. Anderson Real Estate found large amounts of debris from the former Silverton Paideia Academy as they prepared the Ag 47 Phase I site. The debris included a considerable amount of asbestos-containing material (ACM) which required extraordinarily careful handling from the developer. The placement of any debris, but especially ACM, was a clear violation of the 2009 agreement between the Board of Education and the then-City of Silverton. Silverton and the developer sued. The litigation dragged on for two years. In 2019, Silverton and the developer lost the first round in an inexplicable ruling from the Court of Common Pleas, and appealed the decision.

In August, as Phase I of the development was completed, the developer applied for tax abatements which were allowed by the development agreement but allegedly not by the 2009 agreement between the Board of Education and the then-City of Silverton. This new dispute brought the parties to the table to resolve all matters stemming from the 2009 real estate agreement. To use a football analogy, both sides essentially agreed to treat the alleged violations as offsetting penalties. This enabled the developer to receive vital tax abatements, the Village to be able to extend these tax abatements to the developer with the consent of the Board of Education, and the Board to avoid any responsibility for the ACM and other debris they left on the site. Each party received something vital to it. Not every developer would be as reasonable as Jeffrey R. Anderson proved to be. The developer essentially ended up cleaning up the Board of Education's illicit dumping without any compensation to the developer, but Phase I of Ag 47 is proving to be a success, and the developers are willing to absorb this loss in order to move forward in a positive manner.

LLK

In January of 2018, a citizen jury awarded \$661,000 of compensation to LLK for a 0.148 acre right of way take that enabled the realignment of the Montgomery and Stewart intersection. This punitive award was more than double the appraised value of the entire LLK site at 7458 Montgomery Road. For good reason, the Village appealed this award. Unfortunately, the Village's appeal was unsuccessful and the Village provided \$585,000 to LLK in December of 2019 (the Village had previously escrowed \$111,800—the value of the right of way and full compensation for the damage to the property according to the Village's appraisal in 2017 before it started the right of way action). This full and final compensation to Three Sweet Girls included court-imposed interest on the original remaining balance of the jury award. This award is an incredibly difficult for the taxpayers of Silverton to absorb. This amount both exceeds the value of the land had it all been taken for roadway and exceeds the best-practice rainy day amount the Village should have set aside for a government Silverton's size. The jury's

award is simply uncoupled for reason and reality. That said, the Village has made the roadway significantly safer, and it is very difficult to place a price on avoided accidents. But, because of this runaway jury award, the Village is ending 2019 with less as a rainy-day reserve than is recommended by the Government Finance Officers Association (GFOA).

The LLK award has been like a loose cannonball below deck throughout Silverton's 2018, 2019, and 2020 budgets. By awarding more than a village our size should have in its rainy-day fund to a private party for a small right of way take, the jury devastated Silverton's revitalization momentum. It has caused service cuts, salary freezes, and capital investment deferments. It has also meant the Village has not invested in transformative economic development projects. The Village is ending 2019 with less than is recommended by subject matter experts because of this jury award. That said, the Village expects to end 2020 with a rainy-day fund close to and perhaps in excess of the rainy-day fund levels recommended by GFOA.

One silver lining in this LLK verdict is that in 2013, Silverton Council had the foresight and wisdom to establish a tax increment financing district (or TIF) in the Steward Road area south of I-71. A TIF captures additional property tax revenue from new development, and thus this TIF could repay up to \$225,000 over the 2021-2024 fiscal years. This will be a partial offset to this jury verdict. It is staff's intent to use this repayment to reestablish a debt reserve in the Debt Service Fund in the next few years. So, a plan is in place to replenish the rainy-day fund by the end of 2020 and to reestablish a debt reserve over the next five years.

II. Create Jobs

In May of 2019, the HighGrain Brewing Company opened its doors in the former Silverton Memorial Municipal Building. This is an idea that is more than 10 years in the making, and is part of a broader effort to turn the corner of Plainfield and Montgomery over to the private sector. HighGrain Brewing Company is both a role model of environmental sustainability and a new hotspot for craft beer and amazing food in our region. WCPO recently listed HighGrain as one of the nine hottest places that opened in our region during 2019.

Silverton is also continuing to work with a heating and cooling company for the redevelopment of 6805 Montgomery Road. Silverton acquired this site two years ago and it will serve as an important parking lot addition for this company that purchased the former GJ Mansion facility at 6809 Montgomery Road. The project is taking a while to work through the process of ensuring the Village conveys it to the buyer with a clean bill of environmental health from the State of Ohio. Silverton obtained a \$250,000 grant to help with any remaining cleanup costs.

Also, the Village entered into a lease for five years to convert two parcels formerly used as a junk yard at 6847 and 6851 Montgomery Road into an unimproved public parking lot. This adds parking spaces near HighGrain Brewing Company, Silverton Hardware, Brothers Café, Silverton Café, and the Italianette. These spaces are important to our central business district, and the project removed a considerable blighting influence in our central business district. This parking lot area too will require some environmental cleanup and the Village is working to obtain state and federal grants to offset these costs. It is hoped this area will either be redeveloped overall or the Village can acquire 6847 and 6851 Montgomery Road, remediate any contamination, and convert it into an improved public parking lot.

In April of 2019, the first residents moved into Phase I of Ag 47. Phase I of Ag 47 invested \$24.5 million in our community to provide 204 luxury apartments, mostly on the former Silverton Paideia

Academy school site. That it took 11 years from Council's cashless land swap with the Board of Education to the first new households being formed there shows the importance of patience in first suburban renewal! The addition of more than 200 new market-rate housing units in our community not only should increase our median household income, but it stands a good chance of returning Silverton to city-status once the 2020 Census results are tabulated. While no firm date has been set for the commencement of Phase II, the completion of Phase I is a great milestone to have achieved.

The Silverton community has several smaller yet important projects underway as 2019 comes to a close. These include the planned 2020 openings of the Luxury Motor Car Company, Proud Hound Coffee, and Jaax Veterinary Clinic. The Village is starting to be recognized as a desirable community to locate a business, invest, and/or call home. The secret is getting out, and Silverton's day has again arrived.

III. Improve Roads and Transportation

The Village reconstructed Kenton Avenue in 2019 with an Ohio Public Works Commission (OPWC) grant and loan. Additionally, the Village has started the reconstruction and resurfacing of Elwynne Drive, also with OPWC funding. Both the Elwynne Drive and Kenton Avenue projects include working with the Greater Cincinnati Water Works to replace old water lines at the same time the road work is being undertaken. This saves both government entities money and avoids residents enduring two separate construction projects.

As already discussed, the Village completed the realignment and reconstruction of Montgomery and Stewart and Stewart and Euclid. The project was initially conceived of as a \$1.5 million project and ended up costing more than \$2.5 million, largely because of the LLK award and litigation surrounding the project. Despite the much larger than expected costs, the community and the traveling public will benefit for many years to come.

Less visible to the motorist and resident alike is the planning progress made in 2019 for a 2023 Montgomery Road traffic signal replacement project. In 2019, Silverton was fortunate to receive \$200,000 which will be used as part of our local match for this \$3.2 million project. Preliminary engineering paid for with this grant is being reviewed by the Ohio Department of Transportation.

IV. Increase Code Enforcement

The Village is poised to pivot and improve its code enforcement efforts as 2019 draws to a close. Retired Silverton police officer Jim Replogle, who has served as our code enforcement officer for many years, has retired a second time from Silverton as 2019 ends. Retired Loveland Police Chief Tim Sabransky has now assumed these duties. While Mr. Replogle had success with compliant property owners, he struggled to undertake actions against out-of-town property owners, non-compliant individuals, and owners with complex situations. It is hoped that Mr. Sabransky, with his greater levels of experience in public administration and enforcement, will be able to make headway on some of the more intractable property maintenance problems.

Silverton resident Susie Welsh is a realtor and a member of the Board of Zoning Appeals. She has provided some interesting data to the Village about average home sales prices in our community.

Year	Home Sales	Average Sales Price
2015	82	\$103,000

2016	80	\$109,000
2017	83	\$129,000
2018	79	\$149,000
2019	68	\$159,000

There is a limit to conclusions that can be drawn from this data—we would need to compare the rise in prices to the real estate market in general to determine if Silverton is doing better than other communities in terms of the rise in sales price. But this pricing information does suggest a much stronger housing market in Silverton in a relatively short period of time. This has many causes, but one of them is certainly the Village’s code enforcement efforts that have improved the overall appearance of our community. For this, we are truly grateful to Jim Replogle for his efforts.

V. Improve Public Facilities

The Village of Silverton spent most of 2019 working on sustainability improvements to public facilities. Two substantial projects are underway and will be completed in early 2020. First, the Village is working with Duke Energy to convert all 316 street lights in the community to light emitting diodes, or LEDs. These new lights will use only a third of the electricity the Village currently pays for, and the investment in these energy-saving fixtures will pay for itself in five to six years. Second, the Village is adding solar panels to Town Hall that should provide more than 100% of the electric needs of the building. The \$100,000 will pay for itself in 18-20 years. For purposes of financial analysis, however, the Village is combining the LED and solar projects. The combined \$250,000 investment will pay for itself in between ten and eleven years.

Another pair of highly visible park improvements are set to be unveiled and dedicated in 2020. And the 2019 year involved working with the members of the Parks, Art, Culture, and Tree Committee on these two projects at Silverton Park. First, the Village will add a new monument to honor the veterans of the Vietnam War by Memorial Day. The design will make it a true one of a kind monument, and it will be dedicated on May 25, 2020. Second, the Village is installing its second piece of public art entitled *Convergent Focus* at the corner of Highland and Montgomery Road. *Convergent Focus* will be dedicated on April 25th.

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* with 2,902 print copies published quarterly, up from 2,660 copies last year to reflect new households,
- Facebook with 1,595 followers at the end of 2019, up from 1,225 a year ago,
- The Silverton e-Connector with 445 subscribers, up from 336 a year ago, and
- Code Red pre-recorded telephone messages to over 2,200 callers.

In addition, the Village partnered with Silverton Paideia Academy to hold the first annual Silverton Fall Fun Festival in October. The event was a smashing success, and was made possible through the generosity of our corporate sponsors: Luxury Motor Car Company, the Greater Cincinnati Credit Union, Spectrum, Meier’s Wine Cellars, and Duke Energy. The Village has numerous other special events throughout the year, curbside chats, and numerous public meetings. Despite these successes,

there are still residents who we have not yet engaged. Civic engagement will be one of the top administrative priorities for 2020.

First Suburbs Research

While this is not a Village Goal, Village Council did provide me the opportunity to do work for the International City/County Management Association (ICMA) in addition to my work for the Village. I was honored to be selected as one of four ICMA research fellows last year, and I have spent the last 15 months studying the challenges facing first suburbs like Silverton in search of strategies to stimulate revitalization. The research has not been terribly encouraging. The majority of first suburbs in Hamilton County are declining economically, and most local governments in our area are not, in my opinion, responding with the urgency this decline requires. Silverton's revitalization success this last decade is thus exceptional. Too many first suburbs have not recovered from the 2008 Great Recession.

Most of the policy options to revitalize first suburbs place responsibility to do so at the state or federal levels of government. But I think we can all agree that the federal government is currently fixated on impeachment; the challenges facing America's first suburbs are not on the periphery of the periphery of the federal agenda. State governments have been reducing local government revenues over the last decade, just when first suburbs like Silverton have needed more revenue. The new gas tax created in 2019 is a big help, but it is far from a replacement for what has been lost. Fortunately, Hamilton County, in part informed by the ICMA research, is starting in 2020 to set aside funding for first suburbs revitalization. It will not be enough, but it is a good start.

I am attaching to this report an article in the December, 2019 issue of *Public Management* I co-authored with Dr. Brandi Blessett of the University of Cincinnati. This article features many photographs from Silverton and starts on page 6 of the enclosed issues of *Public Management*. Dr. Blessett and I will be working on a couple of additional academic journal articles stemming from this ICMA research in the coming year. Brandi is the new director of the University of Cincinnati's Masters of Public Administration program, and it is a pleasure to get to collaborate with her on meaningful work focused on the region around UC.

Additionally, I have had the opportunity to present my research at several local and national conferences. These include the Cincinnati Area Management Association in May, the NAOIP meeting held in Silverton in June, the First Suburbs Consortium in July also held in Silverton, and the ELGL Road Show held locally in Sharonville in September. I also presented the findings at the ICMA conference in Nashville in October and the US Brownfields Conference in Los Angeles in December. I will be finishing up the fellowship with ICMA by submitting to ICMA a *First Suburbs User Manual* early in 2020. I am truly grateful to Council for allowing me to do this research in addition to my work as your Village Manager.

Conclusion

Staff hopes Council is well pleased with the progress made in 2019 towards each of the six Council goals. The upcoming year will be a continuation of the projects and programs the Village has been focused on for the last six years.