


TOWN OF OCEAN VIEW 34

DELAWARE

March 4, 2022

TO: Mayor and Council

FROM: Carol S. Houck, Town Manager 

SUBJECT: American Rescue Plan Act (ARPA) Use of Funds Update and Possible Vote of Council

Background

A Council Workshop was held on October 12, 2021 to discuss and review initial considerations for the use of the Towns ARPA funding totaling \$1,182,341.

At that time direction was given regarding our participation with the State of Delaware's pooled legal services from Barnes and Thornburg. This engagement has now been established and will utilize \$4,730 of our ARPA funds for access to the necessary legal support and guidance in relationship to our final determined uses for the balance of funds.

With Council support, we made an initial submission to Barnes and Thornburg for guidance and on December 1, 2021 received the noted feedback shown in **blue** print:

- Business Support/Economic Development/Complete Streets \$900,000

(Directly related to support and success of local businesses)

At this time, we do not believe this would be an eligible use of the ARPA funds. However, if you have lost revenue, you may be able to use that portion of the funds for these projects.

- Façade Improvement Revolving Loan Program \$ 50,000

(Forward thinking as required and directly related to support of local businesses)

The Treasury FAQ on the ARPA funds does specifically provide that fund recipients may aid small businesses, including support to improve the built environment of the neighborhood (e.g., façade improvements). Therefore, this would be an eligible project. You will want to keep necessary documentation to comply with the reporting guidance, including the following:

- Brief description of the structure and objectives of assistance program(s) (e.g., grants for additional costs related to Covid-19 mitigation)
- Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)
- Brief description of recipient's approach to ensuring that aid to small businesses responds to a negative economic impact of COVID-19, as described in the Interim Final Rule

- Lost Revenue/Building Fund – Millville Volunteer Fire Company \$100,000
(Special Purpose Units of Governments (Fire) are eligible for ARPA support)
This would be an acceptable use of any lost revenue funds you have available. On January 20, 2022 the Town received a lost revenue report from the Millville Fire Company with a value totaling \$157,000. Copy attached.
- Internet/Cable Franchise Expansion in Ocean View \$100,000*
At this time, we do not believe this would be an eligible use of the ARPA funds.

Ultimately, there were enough questions being presented by Towns and Cities across the country that we decided to wait until the Treasury Department released its Final Rule for use of ARPA Funds.

Treasury's Final Rule

On January 6, 2022 the Treasury adopted the final rule implementing the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program under the American Rescue Plan. The final rule, which takes effect on April 1, 2022, provides state, local, and Tribal governments with broader flexibility to pursue a wider range of uses. Prior to April 1, 2022, recipients are able to take actions and use funds in a manner consistent with the Final Rule, and Treasury was to not take action to enforce the Interim Final Rule if a use of funds is consistent with the terms of the final rule. It is our intent to wait to utilize any funds until after April 1, 2022.

Further, the change under Treasury's Final Rule authorizes recipients to elect to claim up to 10M of their funds as lost revenue and to use those funds for the provision of government services. This has been confirmed by Barnes and Thornburg to mean that the Town of Ocean View may now utilize all of its one time ARPA funding of \$1,182,341 under the lost revenue provision.

Identified Uses for Town of Ocean View ARPA Funds

(Referring to our Comprehensive Plan, other possible Economic Development Opportunities, and Final Rule Guidelines)

Millville Volunteer Fire Company (the fire company that services the residents and businesses of the Town of Ocean View)

\$100,000

Recommended with the requirement that the funds are used towards the Millville Volunteer Fire Company's building expansion project. This project benefits the property owners of the Town of Ocean View in that the plans will assist with recruitment activities (providing separate spaces for male and female personnel) and increased space to house equipment that is supported by Town grants.

Town Road Improvement Project – Stormwater Improvements/Town Square Market
\$495,000

Town Road off of Atlantic Avenue is a business park of sorts that experiences flooding after any rain event. This flooding remains for days afterwards and causes icing conditions during cold weather months and a general compromised opportunity for the businesses along the street. The street was developed without stormwater or sidewalks, yet it also serves as access to the Assawoman Trailhead and kayak launch including a parking lot and restrooms. Town records show that there was an original intent for the Town to take over the road that was never finalized. The former developer, R. A. K. Enterprises remains the owner of the street having sold off the parcels where various businesses are operating from, some for many years. The development site was once referred to as “Ocean View Center” as noted in 1983 in plans on file. The area is in poor condition and therefore is of reduced value in relationship to economic development opportunities along our business corridor (in fact the first business section upon entrance into the Town!).

It appears that there might be an opportunity to look at this area as a whole that would make it a more attractive part of our business district and in turn community. Any decision to take over the road would need to include making the necessary stormwater and sidewalk improvements. We would like to hold aside ARPA funds for this project while we engage the property owners and explore partnerships and additional funding options.

Purchase of Open Space
\$200,000

Our Comprehensive Plan effort identified the preservation of open space, water access and walking trails as a priority interest of the members of our community. Further, identifying funds to support near term opportunities for an increase to open space within Ocean View aligns with interests of the ARPA in that doing so would create greater opportunity for health and fitness activities.

Façade Improvement Revolving Loan Program
\$ 25,000

This funding would be placed in a revolving loan account that would loan out up to \$5,000 to local businesses to fund exterior façade improvements at no interest and a two year payback term. As funds are repaid, they will be returned to the fund and be available for loan to other local businesses to improve their façade with a goal of supporting an improved appearance along our business corridor.

Street Scaping
\$25,000

These funds would be targeted to beautification and Town identification efforts. It is thought that the installation of seasonal banners along Central and Atlantic Avenues, as well as strategic placement of large self-watering potted planters, solar compacting refuse, and recycling containers, etc. could assist in further improvement of our image and community pride.

Support for Broadband Expansion in Town
\$100,000

As deemed helpful, these funds would be available to assist in encouraging an expansion of broadband opportunities to properties in Ocean View.

Barnes and Thornburg – Legal Services
Confirmed for use already.

\$4,730

Balance for Contingency Needs (unknowns)

\$232,611

Another consideration - Premium Pay for employees -

\$121,486.

Premium pay is one of the approved uses for ARPA funds. This figure aligns with all employees receiving between \$500. and \$5,000. of premium pay, (with the exception of the Town Manager) prorated for employees hired after the start of the pandemic and adjusted for part time employees.

A determination to utilize funds for this opportunity would bring the contingency balance to \$111,125.

Barnes and Thornburg Feedback on all of the above submittals:

Hi Carol,

Overall, this looks great. My only comment is that while the town can use up to the full amount of its allocated funds for government services under the lost revenue provision, any projects that are eligible under other categories should be done under those categories. I think your broadband project should be evaluated under the broadband category, not lost revenue. Do you have any more information about where things stand with that project since we last discussed it?

Veronica Schilb

My Response:

Thank you, Veronica, – regarding broadband, the Town is being considered currently by Comcast to come in and offer Cable tv (under a franchise agreement with the Town) and internet as well. There is strong interest in our community to have more than one supplier (mostly in regard to internet). Outages and speed are common complaints. Therefore, there seems to be support to use some of our ARPA funds to “encourage” Comcast to select Ocean View as its next location for expansion.

Does that help? If it doesn’t fit the broadband section for use of funds – but that is what we want to use it for , is that enough justification to align it with lost revenue? Carol

As of printing – I don’t have a final response on this item, but all others are supported uses under the “lost revenue” provision. I look forward for your direction and conversation.

MILLVILLE VOLUNTEER FIRE COMPANY INC.



DEDICATED VOLUNTEERS PROUDLY PROTECTING THEIR COMMUNITY

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January 21, 2022

Carol Houck
Town of Ocean View
201 Central Avenue
Ocean View DE 19970

RE: Loss of Revenue

Dear Carol,

The Millville Volunteer Fire Company Inc. has suffered a loss of revenue due to the COVID-19 pandemic. As you can imagine our fund raising efforts have been greatly curtailed since we could not have large gatherings.

- Auxiliary has not been able to host their yard sales for two years. They hold 4 yard sales annually and each sale netter about \$1,500 (total loss of \$6,000 annually). Total loss for two years is \$12,000
- Outdoorsman Expo typically held in January of each year would net \$13,000 annually. Total loss of \$26,000.
- Fire Fund Drive donations are down about \$40,000 this past year and were down \$22,000 in 2020. Total loss is \$62,000.
- Emergency Medical Services fund drive is down about \$15,000 for the 2021 year.
- Along with that people have not wanted to go to the hospital, therefore our Ambulance billing income is down \$30,000 this past year.
- General Donations from the citizens are down amount \$12,000.

These figures document a loss of revenue totaling \$157,000. There are other areas of increased expenses (fuel, insurance, staffing, etc) which further contribute to a deficit of our bottom line. If you require additional information or need to discuss this information, please do not hesitate to contact me.

Sincerely,

Gregory W. Hocker
President
Millville Volunteer Fire Company, Inc