

**TOWN OF OCEAN VIEW**

**DELAWARE**

September 19, 2023

TO: Mayor and Council  
FROM: Carol S. Houck, Town Manager  
SUBJECT: Recommendation to Purchase 8 Oakwood Avenue, Ocean View, DE

**BACKGROUND**

As you are aware, I have completed negotiations with the property owner regarding the purchase of the property located at 8 Oakwood Avenue. This property sits directly across the street from John West Park and is adjacent the Towns parking lot on Oakwood.

It should be noted that in the past, the Town has purchased property in and around the Town park with the intent to preserve for the benefit of the community suitable property that may allow for additional amenities to be developed. The current park was built out over a period of years to create the lovely setting our community now enjoys.

**NEGOTIATIONS**

Upon being advised that the property was to be sold, Mayor and Council supported outreach and negotiations. This was soon followed by an appraisal of the property (\$375,000) and final negotiations to arrive at a purchase price the seller was willing to accept. An Agreement of Sale was fully executed on September 14, 2023 (including an addendum that a final vote of Council was required). In addition, the following estimates of value were considered:

Zillow \$421,900      Redfin \$393,816      Realtor.Com \$359,000

The property owner supports the Town Solicitor handling all aspects of closing the sale, including serving as escrow agent.

**PURCHASE PRICE/FUNDING SOURCES**

The purchase price the seller was willing to accept is \$405,000.

The funds to purchase the property are available from:

- Unrestricted fund balance which at close of our FY23 budget year totaled \$2,128,289 and
- 2023 Bond Bill funds totaling \$89,950 and

In addition, the purchase may be afforded the use of additional funds totaling \$89,950 from our pending Outdoor Recreation Trails and Park (ORPT) grant submission. The full grant submission was made on September 15, 2023 (its due date) and I expect to hear by the end of November the following:

- If the grant is approved at \$89,950 to assist in the purchase of 8 Oakwood Ave., and
- Whether the ORPT program approves waiving the prohibition of retroactively providing funds for a purchase that has already taken place.

Your resolution on the agenda for the meeting of September 21, 2013, is also a requirement of the grant submitted on September 15, 2023.

For full awareness I note that submission of the full grant on September 15, 2023, included a change of property for purchase since the original property included in the pre-grant submittal this past spring has gone under contract to another buyer. My modification to the submission was completed following communication and guidance from the ORPT grant program administrator.

Finally, the purchase may be funded at closing by:

- Unrestricted fund balance totaling \$315,050\*
- Bond Bill funds totaling \$ 89,950

\*And with the possibility of an additional \$89,950 of ORPT grant funds retroactively funding the purchase and thereby reducing the use of unrestricted fund balance by that level or in the amount of \$225,100.

#### RECOMMENDATION

It is therefore recommended that Mayor and Council authorize the Town Manager to move forward with the purchase of 8 Oakwood Avenue, Ocean View, DE for the asking price of \$405,000, using the above funding sources and with the Town Solicitor handling all aspects of closing the sale.

A positive vote of the majority of Council will see a payment of \$5,000 posted to escrow with the law firm of Morris James LLP and settlement planned to occur by October 31, 2023.