

Open Work Session

To Discuss the Purchase of 810 Second Street, Delmar, Maryland

June 16, 2020

Mr. Holloway said a good question is whether the County should pay more for this than what it is appraised for, to which Mr. Dodd responded, that is a good question. Mr. Cannon said he does not like paying more, and it seems like, when anyone gets a chance, they always want to stick it to the County.

Mr. Steve Miller, Director of Recreation, Parks, and Tourism, came before Council and said he is there to talk about a possible land acquisition in the Town of Delmar. He said, as Council knows, the County owns the Mason Dixon Athletic Complex in Delmar. He said approximately a year ago the County was able to purchase two parcels in Delmar to include as part of that athletic complex, and they were able to build an additional ballfield for additional recreational activity. He said, at the time, there was a third lot that was not for sale, so they purchased the two lots to help with parking, and to do other things for increased activity in Delmar. He said, since that time, this third lot has now become available, so he is there to ask Council to consider a request to acquire that property. He said, as far as the funding goes, the bulk of it would be covered by Program Open Space, a State funding source, but there would be a small out-of-pocket cost for the County, which would be approximately \$4,000. He said he is happy to answer any questions, but he views this as a real opportunity both for the County and for the residents on the north side of the County.

Mr. Dodd asked what they would do with this piece of land, to which Mr. Miller responded, he thinks there are a number of opportunities. He said, if they are able to acquire it, he would like to engage the public in Delmar to get ideas. He said he does not think they are under a rush as far as what to do, but there are three opportunities he sees. He said one is to continue to address the parking issues, which has started with what they acquired last year and has helped, so he thinks they could look at additional parking. He said they could look at additional ballfields, and he thinks that could be a consideration, whether that is diamond fields or rectangular soccer type fields. He said, thirdly, if Council is familiar with Delmar, the concession and restroom building is quite old, and there is talk about replacing that, so one of the thoughts could be to relocate it to this new piece of land. He said, if that is where their parking is going to be, and they are going to replace that anyway, they could maybe relocate that and have that be more central. He said he thinks there are options, and he thinks what they would want to do is engage the public and the town before they decide, but, certainly, he thinks they would have options at their disposal, and it could be a real opportunity for the County.

Mr. Dodd said he coached Little League for many years, and every year during all stars he would have his team play Delmar, and they had to park alongside the railroad tracks. He said, for the kids crossing the road, that always scared him. He said, if someone is not paying attention and letting kids run, they may go play on the railroad tracks and a train could come by, so he has always been concerned about that as well. He said he has seen kids get killed locally by trains, so if they could find parking away from that, he thinks that would be a great idea. Mr. Miller said he is a resident of Delmar, so he sees it up close with his own boys who play over there, and he thinks getting parking over there would help move all of the traffic as far as the flow away from the railroad tracks. He said it also has helped the Board of Education.

He explained, the elementary school is across the street, so they entered into a mutual use of that space with some of the staff, so it helps the school as well. He said they see this as a real win for the County.

Mr. Cannon asked if this is across from the school, to which Mr. Miller responded, yes. Mr. Cannon said it is not really close to the railroad tracks then. He said the railroad tracks are further into town, to which Mr. Miller responded, correct. He clarified, the railroad tracks are on the other side, but, traditionally, people have used the railroad tracks for parking, so, by getting the two lots they got last year and then this in addition, it would move the parking away from the railroad tracks over near the school.

Mr. Cannon asked if there is any particular reason why the property was not available a year ago, to which Mr. Miller responded, he does not know. He said it was owned privately by a gentleman who then sold it to Marshall. He said the County tried to reach out to that gentleman when they were acquiring the other two, and there was no response from him. Mr. Cannon said he just thought it was kind of unusual. He clarified, this is no reflection on Mr. Miller, but the County tried to purchase property and could not buy it, but six months later it is sold to Marshall. He said normally, when someone buys a piece of property, they buy it with the intent of something, such as to put a house on it, or they are going to put something on it. He said it appears to him, from what he can tell, that the only reason the property might have been purchased was speculation possibly knowing the County wanted to buy it, purchasing it in December, and turning around six months later with it being available to sell. He said he just thought things did not seem to add up, to which Mr. Miller responded, he does not know the intentions of why it was purchased, so he cannot speak to that. Mr. Cannon said, even as it has been appraised \$4,000 above, the seller would be making about a 13 percent profit on his investment, but with him asking for an additional \$4,000, he is going to get about a 36 percent profit in six months. He said he just does not see how it is justifiable to pay the additional \$4,000 the seller is looking for, but that is just him personally.

Mrs. Acle asked if the County negotiates the price, to which Mr. Miller responded, he does not do that directly, but the negotiation was handled through the law office and the Executive's Office. He clarified, he was not involved with that directly.

Mr. Dodd said \$38,000 is the price, and some people are concerned they are paying \$4,000 too much, to which Mr. Miller responded, they were told \$38,000 is the price, and that the seller would not move off that. He said the \$34,000 would be covered by the State grant, so \$4,000 would be out-of-pocket County funding, which they could absorb through Recreation and Parks, and that would be their intent.

Mr. Holloway said he thinks it is a wise choice to buy it because of where it is at, and he told Mr. Cannon this morning that the old farmer says he does not want all the land, just the piece next to him, but he does not think the old farmer would pay more than it is worth, or what it is appraised for. He said he has a problem, as Mr. Cannon mentioned, with \$4,000 over the appraised value, but he would be alright if they paid the highest appraised value. He then asked what that amount was, to which Mr. Miller responded, it was \$35,000. Mr. Holloway said he knows \$3,000 is not a lot, but that is his feeling. Mr. McCain asked, what if the seller says they are not going to sell it for that amount, to which Mr. Holloway responded, then he guesses the County would not own it. He said the County has never had it before, so it is not like they are going to miss something they did not have, and it is not like it is being taken away

from the County. Mr. Miller said the County would certainly survive without it, but he thinks adjacent property is always a unique opportunity that they may or may not get again. He said the County was told this was the "take it or leave it" price. He said he understands the concern about the cost, but being that the bulk of this is State grant funded, he would certainly like to see this happen. Mr. McCain said a good point is that, at the end of the day, whether it is \$3,000 or \$4,000, that is all the County is having to pay for a \$38,000 property, to which Mr. Dodd added, and the County would get to do what they want with it, as long as it pertains to Parks and Recreation.

Mrs. Hurley said the President of the Little League sent an email out earlier today saying they support the purchase of the property.

Mrs. Acle asked, if Mr. Cannon was going to purchase a property, would the mortgage company give him higher than the appraised value, to which Mr. Cannon responded, that is a good question. He said a lot of times, when people are trying to buy a home, the real chink in the armor comes when they want to borrow so much, but then the appraiser says it is not worth that much, and they immediately lose the loan because of it.

Mr. Cannon said he just thinks they are being held at gunpoint. He said it is no reflection on the seller, but he thinks the seller is trying to take advantage of the situation. He said, if he were buying this and he told the seller what he would like to do, and the seller said here is what he wants, he would not buy it.

Mr. Holloway said at some point in time it might get cheaper. Mr. Dodd asked if there is a possibility somebody else might want it, even though it is surrounded by public fields, to which Mr. Miller responded, he does not know. He said it has been there a long time, so he cannot speak to that because he does not know the answer to that. He said it is possible, but they also run the risk that it may not be there, and, like Mr. Holloway said, the County is no worse without it, but a lost opportunity is not a good thing in his view. Mr. McCain said his firm tells all of their clients, when something is for sale adjacent to them, they buy it within reason because that opportunity only comes every once in a while.

Mr. Dodd asked what Council wants Mr. Miller to do, to which Mr. Holloway responded, he says to go back and offer \$35,000. He then asked what Mr. Cannon thinks, to which Mr. Cannon responded, that is a good compromise. He said, first of all, he would not want to pay above \$34,000, but, if they have an appraisal for \$35,000, then he would go with \$35,000. Mr. McCain asked if Council can give Mr. Miller the authority to go for the \$35,000, to which Mr. Holloway responded, this is a public meeting. He said they are sitting there saying this, so the seller is going to know.

Mr. Cannon said, when the County bought the property on the west side that has never been used since, a similar circumstance came up, and the Council did not want to pay the full value, but they actually made an offer that was quite a substantially less amount, and the seller accepted it. He said he knows when Tri County was first looking at building their building they did the same thing. He said Mike Pennington came to Council and told them what it was being appraised at, and the Council told him to go in and ask a different amount. He said Mr. Pennington asked if that was firm, and Council said yes, it is firm. He said Mr. Pennington actually went in and got that amount. Mr. McCain said that was a property that was in the millions of dollars, but they are talking about \$3,000 or \$4,000 here, to which

Mr. Cannon responded, the amount negotiated was substantially less. Mr. McCain said, but it was still a million-dollar property, and he is just concerned Council is being pennywise and pound foolish here. He said this is the last remaining site in that whole block, to which Mr. Cannon responded, he never really liked the phrase when someone says, well, it is only \$4,000. He said \$4,000 to him means a lot, as much as it may to the average person on the street. Mr. McCain said it does not mean a lot to him if it means they are getting a \$35,000 or \$38,000 property for \$4,000, to which Mr. Holloway responded, it is not their money they are spending, it is the taxpayer's money.

Mrs. Acle asked if Mr. Miller has the authority to go back to the seller and ask if he will take the appraised value, to which Mr. Holloway responded, Mr. Miller should go back to the seller and say this is what the County will pay. Mr. Dodd said the highest appraised value of \$35,000 is what the recommendation was from Mr. Holloway and Mr. Cannon. Mr. McCain asked if they need to vote on that, to which Mr. Dodd responded, they cannot because it is a Work Session, but they can get a consensus. Mrs. Acle said she agrees with that. Mr. Dodd also agreed.

Mr. Hastings said, overall, it is an important property. He said he does not know what it is zoned, but it does not look like it is probably going to go anywhere. He said he definitely hears Mr. Cannon and Mr. Holloway, and they want to make sure they are using taxpayer dollars as efficiently and effectively as possible, but, at the same time, it is also a minor amount of money. He said he wants to make sure they secure this property, but, overall, he does not have any strong feelings, so he would probably defer to the Parks and Recreation folks.

Mr. Dodd said baseball has always been big to him, and he thinks the County needs that property, especially if they are going to consider putting a field there, or somewhere close by. He then asked if there is a consensus to offer \$35,000, to which there was a majority consensus. Mr. Dodd said he agrees with at least trying to get it for \$35,000. Mr. Miller said they will do that and then recontact Council and come back. Mr. Holloway asked if there is a big rush, to which Mr. Miller responded, no, not particularly.

Mrs. Hurley asked, for the grant, have they already been awarded the grant money, to which Mr. Miller responded, no. He explained, there is a process that goes through the Board of Public Works, and they have started that process of approvals, but it has not been approved or awarded at this point. He clarified, he does not see any reason why it would not be, but it has not been officially awarded yet. Mr. Dodd asked if they have been given the go ahead, to which Mr. Miller responded, they have initiated the process, so he just wanted to keep both processes moving. Mr. Dodd asked if Mr. Miller is pretty confident the County will get that grant, to which Mr. Miller responded, he does not have any reason to think not. He said they did for the other two lots, so he would think it would be the same. There was no further discussion.

Signatures on next page

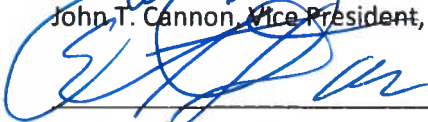
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Larry W. Dodd, President, District 3



John T. Cannon, Vice President, At-Large



Ernest F. Davis, District 1



Nicole Acle, District 2

Josh Hastings, District 4



Joe Holloway, District 5



William R. McCain, At-Large



Laura Hurley, Council Administrator