



George Latimer
County Executive

Department of Social Services

Kevin M. McGuire
Commissioner

78907

DATE: August 24, 2020

TO: Board of Acquisition and Contract

FROM: Kevin M. McGuire
Commissioner, Department of Social Services

Gary A. Friedman
Director of Real Estate

SUBJECT: Authority to amend the County's lease agreement with Saw Mill Lodging LLC, pursuant to which agreement it leased one (1) building, consisting of thirty-nine (39) rooms, at the hotel known as the Days Inn by Wyndham Elmsford/White Plains, which is to be used for the purpose of general isolation housing related to COVID-19, in order to extend its term by four (4) months, to a new expiration date of December 31, 2020, and increase its authorized rental costs by \$300,000.00 in order to pay the rental cost for the extended term.

By a resolution approved on April 2, 2020, your Honorable Board authorized the County of Westchester (the "County") to enter into a lease agreement (the "Original Agreement") with Saw Mill Lodging LLC ("Saw Mill Lodging"), pursuant to which Saw Mill Lodging was to lease to the County one (1) building, known as Building C, consisting of thirty-nine (39) rooms, at the hotel known as the Days Inn by Wyndham Elmsford/White Plains, located at 25 Valley Avenue in Elmsford, (the "Days Inn") which was to be used to house for COVID-19 patients who had been released from the hospital but were not yet able to return to their prior housing, for a monthly rental cost of \$75,000.00, for an initial term commencing on April 1, 2020 and continuing through April 30, 2020, with the County having the sole option to extend the term of the agreement for up to two (2) additional months on the same terms as the initial term (the "Original Options"). The Original Agreement was subsequently executed.

By a resolution approved on April 23, 2020, your Honorable Board authorized the

County to exercise its first of the Original Options under the Original Agreement and thereby, 1.) extend the term thereof by one (1) month, through the first option term, to a new termination date of May 31, 2020, and 2.) increase the total authorized rental costs thereof by \$75,000.00, from \$75,000.00 to \$150,000.00, to provide for the rent payment for the first option term, which was to be payable as specified in the Original Agreement (the "First Modification"). The First Modification was subsequently completed.

By a resolution approved on May 21, 2020, your Honorable Board authorized the County to exercise its second of the Original Options under, and amend, the Original Agreement, as modified by the First Modification, in order to, 1.) extend the term thereof by one (1) month, through the second option term, to a new termination date of June 30, 2020; 2.) increase the total authorized rental costs thereof by \$75,000.00, from \$150,000.00 to \$225,000.00, to provide for the rent payment for the second option term, which was to be payable as specified in the Original Agreement, as modified by the First Modification; and 3.) (a) modify the purpose of the lease specified in the Original Agreement, as modified by the First Modification, in order to allow for the rooms to be used for the purpose of general isolation housing related to COVID-19, (b) add the following lease options to the Original Agreement, as modified by the First Modification, to be exercised based upon the County's sole discretion, for parts of July and August (the "New Options"):

- New Option #1: From the end of the existing term until July 18, for a rental of \$41,129.03, with notice of the option exercise due by June 22.
- New Option #2: From July 18 until August 1, for a rental of \$33,870.97, with notice of the option exercise due by July 10.
- New Option #3: From August 1 until August 15, for a rental of \$36,290.32, with notice of the option exercise due by July 24.
- New Option #4: From August 15 until August 31, for a rental of \$38,709.68, with notice of the option exercise due by August 7.

and c.) remove the County's right to terminate the Original Agreement, as modified by the First Modification, for convenience (the "Second Modification"). The Second Modification was subsequently completed.

By a resolution approved on June 18, 2020, your Honorable Board authorized the County to exercise its next two (2) options, which were the first two New Options under the Original Agreement, as modified by the First Modification and the Second Modification, and identified as 'New Option #1' and 'New Option #2' above, and thereby, 1.) extend its term through August 1, 2020; and 2.) increase the total authorized rental costs thereunder by \$75,000.00, from \$225,000.00 to \$300,000.00, to provide for the rent payment for said next two options, which was to be payable as specified in the Original Agreement, as modified (the "Third Modification"). The Third Modification was subsequently completed.

By a resolution approved on July 23, 2020, your Honorable Board authorized the County to exercise its final two (2) options, which were the final two New Options under the Original Agreement, as modified, and identified as 'New Option #3' and 'New Option #4' above, and thereby, 1.) extend the term of the Agreement through August 31, 2020; and 2.) increase the total authorized rental costs under the Agreement by \$75,000.00, from \$300,000.00 to \$375,000.00, to provide for the rent payment for said final two options, which shall be payable as specified in the

Agreement (the "Fourth Modification"). The Fourth Modification was subsequently completed.

The County continues to require the use of Building C at the Days Inn. Accordingly, the County respectfully requests authority from your Honorable Board to amend the Original Agreement, as modified by the First Modification, the Second Modification, the Third Modification, and the Fourth Modification, (the "Agreement") by, 1.) extending its term by four (4) months, through December 31, 2020; and 2.) increasing the total authorized rental costs thereunder by \$300,000.00, from \$375,000.00 to \$675,000.00, to provide for the rental payments for the extended term, with said rent being payable at a rate of \$75,000.00 per month (the "Amendment").

Except as specifically described above, all terms and conditions of the Agreement shall remain in full force and effect.

The proposed Amendment will serve a public purpose by providing the County with additional access to housing for COVID-19-related isolation purposes that are intended to help the ill and prevent others from becoming ill.

The goal and objective of the proposed Amendment is to provide the County with additional access to housing for COVID-19-related isolation purposes that are intended to help the ill and prevent others from becoming ill.

The goal and objective of the proposed Amendment is in the best interests of the County in terms of health and safety, as providing the County with additional access to housing for COVID-19-related isolation purposes, which are intended to help the ill and prevent others from becoming ill, will ensure that such persons have safe housing while any possible illness issues are resolved.

The goal and objective of the proposed Amendment will be tracked and monitored by the staff of the Department of Social Services.

As part of a lease, the procurement of the Amendment is exempt from the Westchester County Procurement Policy pursuant to Section 3(b) thereof.

Under 2 CFR 200.465, which contains the Federal 'cost principles' applicable to lease costs for real property where Federal funds are used, "rental costs are allowable to the extent that the rates are reasonable in light of such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the property leased." The Director of Real Estate has determined that, based upon the pertinent factors, the rental costs for the Amendment are reasonable.

I respectfully recommend the adoption of the attached resolution.

KMM/GF/bdm/nn

RESOLUTION

Upon a communication from the Commissioner of the Department of Social Services and the Director of Real Estate, be it hereby:

RESOLVED, that the County of Westchester (the "County") is hereby authorized to amend its agreement with Saw Mill Lodging LLC ("Saw Mill Lodging"), pursuant to which agreement Saw Mill Lodging was to lease to the County one (1) building, known as Building C, consisting of thirty-nine (39) rooms, at the hotel known as the Days Inn by Wyndham Elmsford/White Plains, located at 25 Valley Avenue in Elmsford, which is to be used for the purpose of general isolation housing related to COVID-19, for a rental cost of \$375,000.00, for the period from April 1, 2020 through August 31, 2020, (the "Agreement") by, 1.) extending its term by four (4) months, through December 31, 2020; and 2.) increasing the total authorized rental costs thereunder by \$300,000.00, from \$375,000.00 to \$675,000.00, to provide for the rental payments for the extended term, with said rent being payable at a rate of \$75,000.00 per month (the "Amendment"); and be it further

RESOLVED, that except as specifically hereby authorized to be modified by the Amendment, all terms and conditions of the Agreement shall remain in full force and effect; and be it further

RESOLVED, that the County Executive or his duly authorized designee is empowered to execute all documents and take all actions necessary to effect the purpose of this resolution.

Initial Agreement	\$ 75,000
1 st Amendment	75,000
2 nd Amendment	75,000
3 rd Amendment	75,000
4 th Amendment	75,000
<u>This 5th Amendment</u>	<u>300,000</u>
Aggregate NTE	\$675,000

Account to be
Charged/Credited

Fund	Dept	Unit	Object/ Sub Object	Trust Account	Activity	Dollars
101	22	0010	4998			\$300,000.00

Budget Funding Year(s): 2020
(must match resolution)

Start Date: 09/01/2020 End Date: 12/31/2020

Funding Source	Tax Dollars:	0%
	State Aid:	0%
<u>\$300,000.00</u>	Federal Aid:	100%
(must match resolution)	Other:	N/A