

Introduced by: Mr. Hollins, Ms. Diller
Mr. Smiley, Mr. Cartier
Date Introduced: October 27, 2020

RESOLUTION NO. 20-205

AUTHORIZING AN ALLOCATION FROM THE RESERVE ALLOCATION CREATED PURSUANT TO ORDINANCE 20-094 FOR THE ACQUISITION OF TAX PARCEL NO. 10-013-00-001 LOCATED AT 365 AIRPORT ROAD, NEW CASTLE, DELAWARE 19720

WHEREAS, on March 11, 2020, the World Health Organization declared that a novel coronavirus, SARS-CoV-2, which causes a coronavirus disease named COVID-19, is a global pandemic and on March 13, 2020 the President of the United States declared COVID-19 a national emergency; and

WHEREAS, on March 27, 2020, the President of the United States signed into law the Coronavirus Aid, Relief, and Economic Security Act, Public Law No. 116-136 (the “CARES Act”) in order to address the COVID-19 pandemic; and

WHEREAS, on April 23, 2020, the County received \$322,766,668.80 (the “CARES Act Funds”) pursuant to Section 5001 of the CARES Act and Section 601 of the Social Security Act (42 U.S.C. §§ 301 *et seq.*), as amended; and

WHEREAS, the CARES Act Funds may be used to cover only those costs (“Eligible Costs”) that: (a) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); (b) were not accounted for in the budget most recently approved as of March 27, 2020 for the County or any subrecipient of CARES Act Funds; and, (c) were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020; and

WHEREAS, on September 8, 2020, New Castle County Council (“County Council”) adopted Ordinance No. 20-094 (the “Ordinance”), which was approved by the New Castle County Executive on September 9, 2020, creating a reserve allocation of \$190,218,268 (the “Reserve Allocation”) from among the CARES Act Funds and requiring that any expenditure, transfer or release of funds from the Reserve Allocation be approved by County Council by resolution prior to the Office of Finance executing any such expenditure, transfer, or release of funds; and

WHEREAS, in response to the COVID-19 pandemic and for the purpose of providing emergency shelter to our most vulnerable residents to facilitate shelter in place orders and to allow the residents to quarantine, isolate, and recuperate from COVID-19 infections, the Department of Community Services, in conjunction with other governmental entities and housing agencies, relocated hundreds of people experiencing homelessness to motel and hotel rooms subject to room availability and the owner’s willingness to let rooms for such purposes; and

WHEREAS, the New Castle County Executive’s CARES Act Task Force, Committee to Assist the Most Vulnerable recognized the lack of shelter options for those experiencing homelessness and the need for reliable sources of emergency shelter and temporary housing to shelter in place, quarantine, isolate, and recuperate from COVID-19 infections, and further, to protect the health, safety and welfare of the general public by limiting the spread of the coronavirus, and recommended acquiring and converting hotels or motels for such housing needs; and

WHEREAS, the Department of Community Services has identified that the Sheraton Wilmington South, located at 365 Airport Road, New Castle, Delaware 19720 and known as tax parcel no. 10-013-00-001 (the “Property”) is available for acquisition and has determined that it is appropriate to acquire the Property to serve as emergency shelter and temporary housing for our most vulnerable residents, and others as deemed necessary, during the COVID-19 pandemic; and

WHEREAS, the New Castle County Office of Finance (“Office of Finance”), with the advice of the New Castle County Office of Law, has determined that allocating CARES Act Funds currently held in the Reserve Allocation for the acquisition and operation of the Property to serve as an emergency shelter and provide temporary housing for our most vulnerable residents, and others as deemed necessary, constitutes Eligible Costs.

NOW, THEREFORE, BE IT RESOLVED, by and for the County Council of New Castle County that the Office of Finance may transfer funds from the Reserve Allocation established by the Ordinance to acquire and operate the Property identified as the Sheraton Wilmington South, located at 365 Airport Road, New Castle, Delaware 19720 and known as tax parcel no. 10-013-00-001 as emergency shelter and temporary housing for our most vulnerable residents, and others as deemed necessary by the Department of Community Services, during and in response to the COVID-19 pandemic.

Adopted by County Council of
New Castle County on:

President of County Council of
New Castle County

SYNOPSIS: As required under Ordinance No. 20-094, this Resolution authorizes the transfer of funds from the Reserve Allocation established under that Ordinance for the acquisition and operation of the Property known as the Sheraton Wilmington South, located at 365 Airport Road, New Castle, Delaware 19720. The Property consists of a 192-room hotel situated on 6.63 acres that, if acquired, will be used as an emergency shelter and temporary housing for those experiencing homelessness, and others as deemed necessary by the Department of Community Services. A certified appraiser is evaluating the Property and will prepare a written appraisal prior to the auction date.

FISCAL NOTE: This Resolution will reduce the Reserve Allocation established by Ordinance No. 20-094 by an amount to be determined.

Michael Smith
Chief Financial Officer