

# Return to Business in the New York Metro Area:

What Reopening Means for Institutional  
Building Owners & Investors

May 28, 2020

**Seyfarth Shaw LLP**

“Seyfarth” refers to Seyfarth Shaw LLP (an Illinois limited liability partnership).

©2020 Seyfarth Shaw LLP. All rights reserved. Private and Confidential



# Legal Disclaimer

This presentation has been prepared by Seyfarth Shaw LLP for informational purposes only. The material discussed during this webinar should not be construed as legal advice or a legal opinion on any specific facts or circumstances. The content is intended for general information purposes only, and you are urged to consult a lawyer concerning your own situation and any specific legal questions you may have.

## **Seyfarth Shaw LLP**

“Seyfarth” refers to Seyfarth Shaw LLP (an Illinois limited liability partnership).  
©2020 Seyfarth Shaw LLP. All rights reserved. Private and Confidential

# Speakers

---



**Dean Cingolani**  
VP of Property Management,  
Mack-Cali Realty Corporation



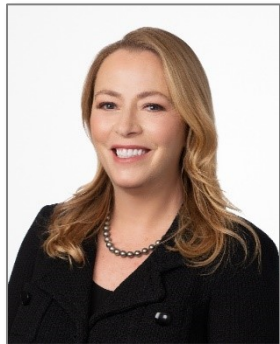
**Toby Dodd**  
Tri-State Region President,  
Cushman & Wakefield



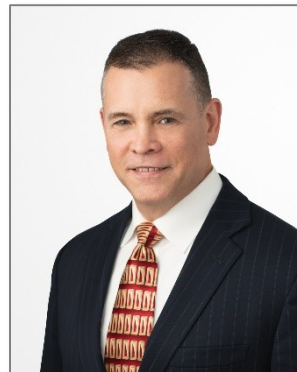
**Andrew Levine**  
Chief Legal Officer, SL Green  
Realty Group



**Gary Wagner**  
GC and Secretary, Mack-Cali  
Realty Corporation



**Lorie Almon**  
Labor & Employment  
Partner



**Miles Borden**  
Real Estate  
Partner



**John Napoli**  
Corporate  
Partner

# Agenda

---

**01**

Health and Safety Protocols: Encouraging Social Distancing and Protecting Employees and Visitors

**02**

Planning Ahead: Creating a Team and a Process

**03**

The New Abnormal: Building Operations, Systems, and Management Practices

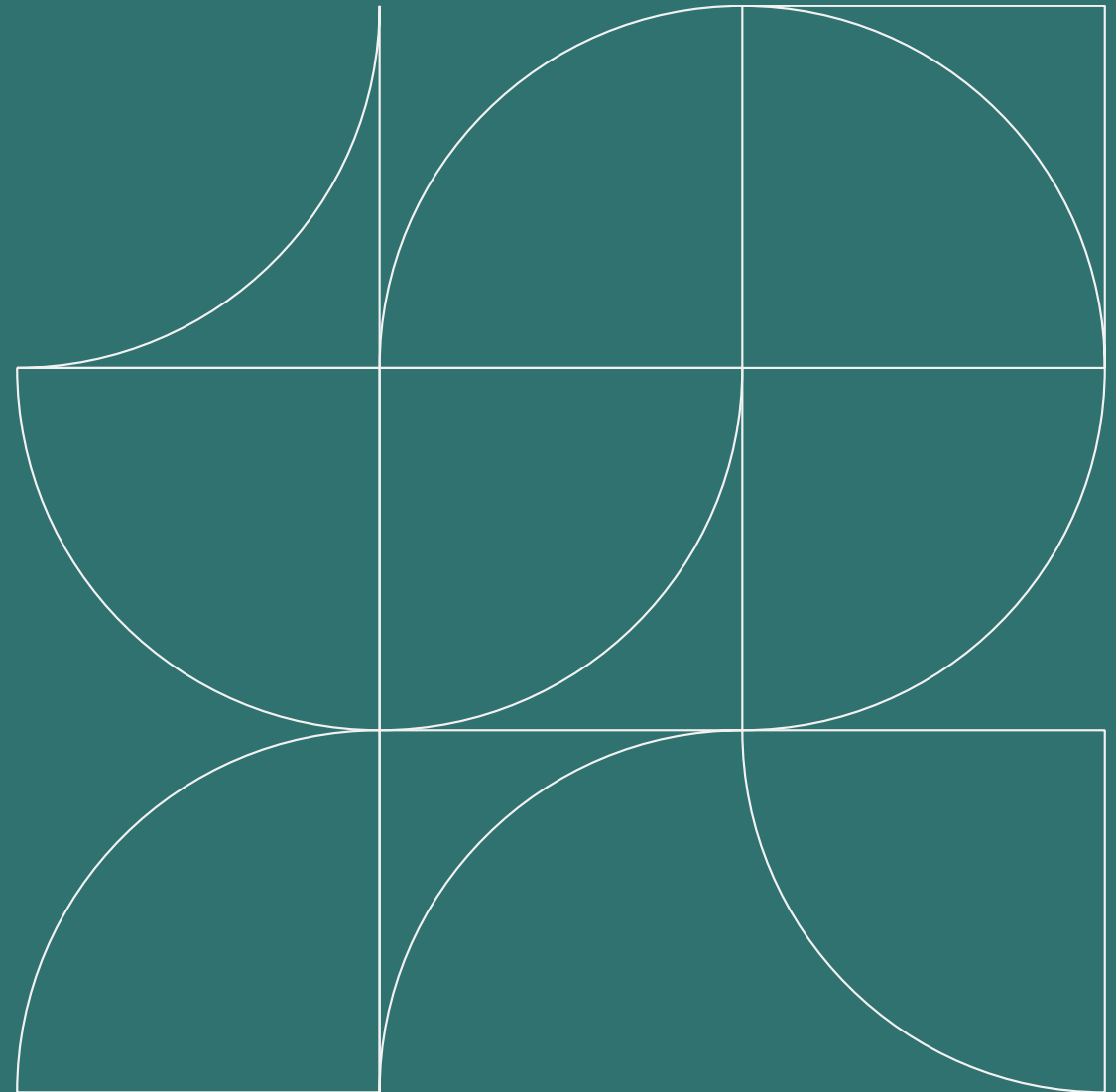
**04**

Capital Planning: Budgeting for Increased Protective Expenses

**05**

Additional Resources

# New York Forward: Planning for Reopening





## **New York Forward**

- Expiration of New York Pause order
- Statewide Reopening of Low Risk Businesses
- Regional plan structure
- Metrics-based reopening
  - Must meet 7 out of 7 metrics
- Phased reopening of businesses
  - 4 phases

# Mandatory Business Reopening Plans

- Adjust workplace hours and shift design to reduce workplace density
  - Enact social distancing protocols
  - Restrict non-essential travel
  - Require all employees and customers to wear masks if in frequent contact with others
  - Implement strict cleaning and sanitation standards
  - Enact a continuous health screening process for individuals to enter the workplace
  - Continue tracking, tracing and reporting of cases
  - Develop liability processes
  - Make plans available for inspection by NY DOH
-

# Policies & Procedures to Consider

---

- Policies

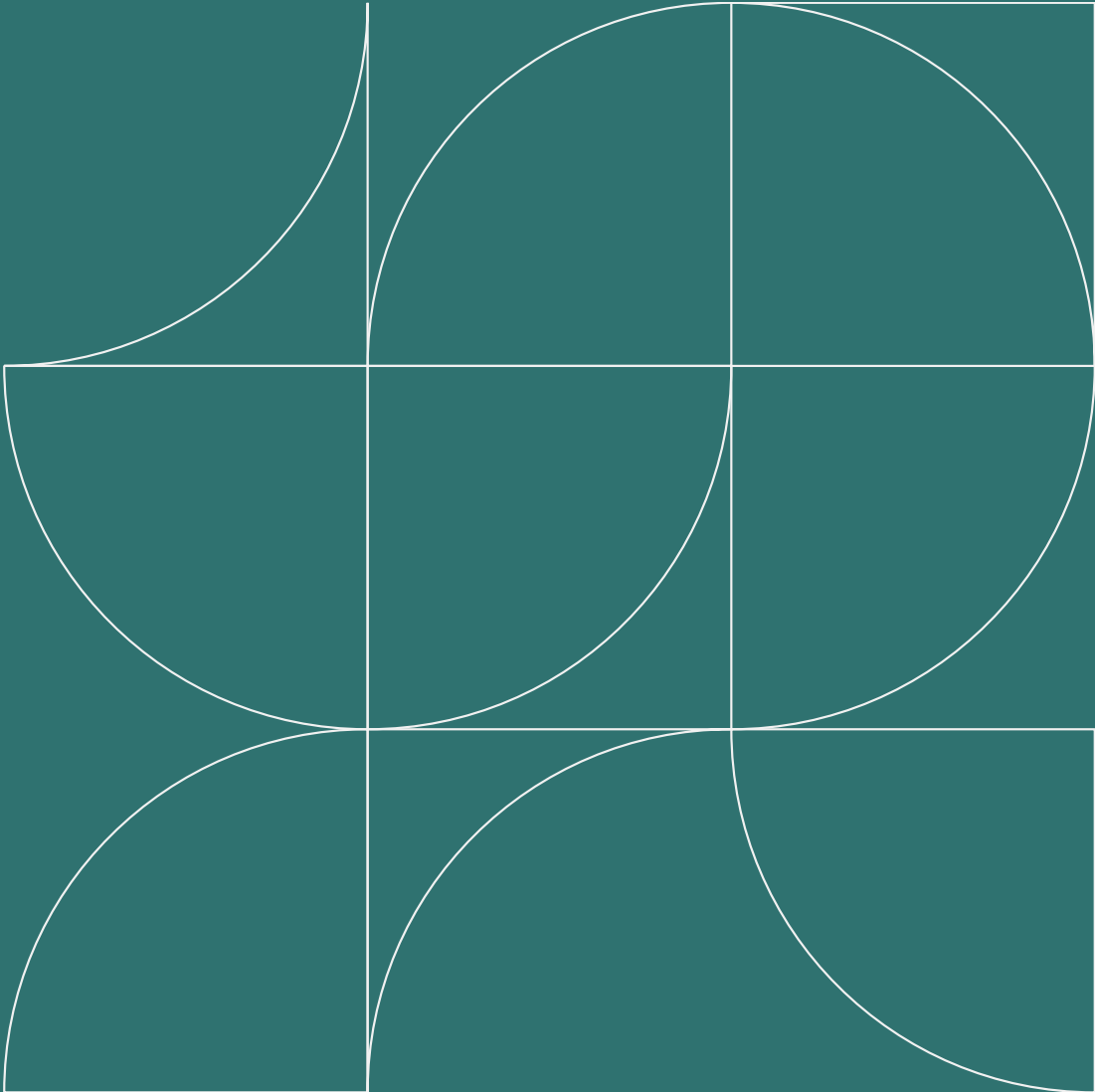
- Infection Control
- Employee health screening
- Visitor/delivery screening
- Vendor/contractor screening
- Social distancing
- \_ PPE usage
- Meetings
- Travel
- Accommodation requests
- Documentation of decision-making

- Procedure

- How to screen
- Who to screen
- When to screen
- Where to screen
- Privacy/confidentiality concerns
- Sourcing of tools needed (PPE, thermal scanners)
- Cost-sharing/reimbursement
- Internal reporting procedure for positive cases
  - Process maps



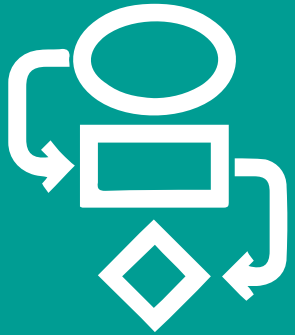
# Creating a Return to Work Team and Process





## Creating a Team

- Develop a COVID-19 response teams
- Determine if current employees have sufficient experience and skills to serve on your response team, if not, assess what sort of outside abilities are necessary
- Team should be well-versed in understanding government mandates for reopening and operating commercial spaces.
- Team should be comprised of individuals with diverse backgrounds and different areas of expertise (building staff, engineering, HR, legal/regulatory).



## ...and Creating a Process

- Tenants and visitors should have access to protocols and rules that apply to them (i.e., congregating in lobbies, ordering deliveries).
- Teams should develop a clear process that aids tenants in reporting positive cases and employees with COVID symptoms.
- Consider outlining new protocols in common areas for easy access.

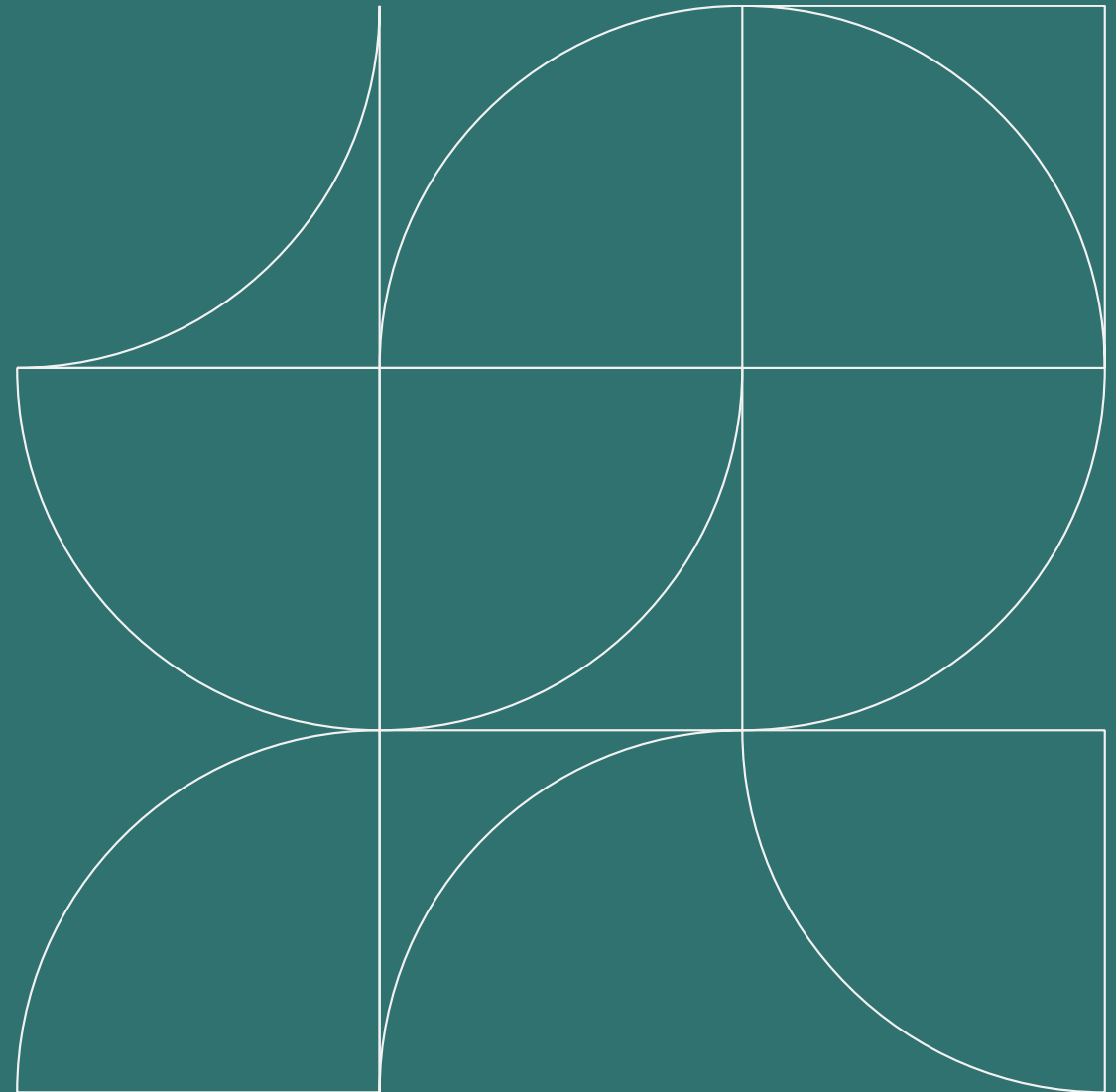


## Communication is Key

- Consider sending out a questionnaire or otherwise determining tenants plans for reopening and their anticipated needs
  - Building safety protocols should be aligned with tenant safety protocols
- Share re-opening plans with all parties that may be effected (tenants, vendors, contractors, etc.)

# The New Abnormal:

Building Operations, Systems,  
and Management Practices



# Coordination With Tenants

---

- Building entrances, security, and travel paths (such as elevators and stairs) often responsibility of building owners or agents
  - Security may require touching surfaces and contribute to bottleneck crowding
  - Elevators/lifts/stairs/escalators definitely cramped and likely sources of bottleneck crowding
    - Consider cab sizes, # of floors, and daily # of riders to determine max occupancy per elevator
    - Mark where to queue while waiting for elevators and where to stand while in them
    - Reprogram smart elevators to only take passengers to and from one floor per circuit
- Coordinate early and often with tenants on effective measures
  - Not just arrival and departure logistics such as above
  - Also cleaning and disinfection of common areas, HVAC, and other building services
  - Nearby tenants
  - Hospitality and to-go tenants
  - Healthcare tenants



## Safety and Risk Allocation

- Landlords and property owners will face new challenges in managing space and services to meet the needs of tenants while, at the same time, adhering to state and federal guidelines.
  - State and local guidelines
  - Curb to Desk
- Safety and risk allocation among all stakeholders
  - Landlords
  - Employees
  - Tenants
  - Construction and Renovation Contractors
  - Subcontractors
  - Visitors



## Space – Time Continuum – Why it Matters

- According to CDC, COVID-19 spreads mainly among people who are:
  - in close contact (within about 6 feet)
  - for prolonged period (from 10 minutes or more to 30 minutes or more)
- Later wave(s) of infections likely, but health and safety risks eventually diminishing
  - Development of knowledge, testing, supply chains, treatments, herd immunity, & vaccine(s)



# Expanding Space, Diminishing Time In Commute and Onsite

---

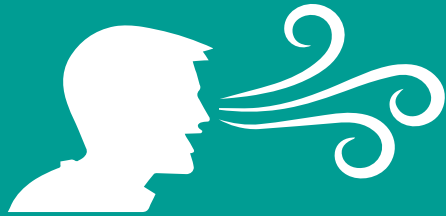
- Promote more distance and less time in proximity
- Arrange for less employees to be in onsite proximity
  - Potential upsides to avoiding being among first to swell onsite workforce
  - Consider phasing returns with 1<sup>st</sup> phase voluntary to extent practicable business-wise
  - Teams X and Y or X, Y, and Z
  - Other scheduling adjustments, including staggered start, end, and break times
- NYC commuting challenges distinctive
  - Highest percentage used mass transit, with one of lowest percentages of single drivers
    - Many own no vehicle (or bike) or don't own enough for every household worker
  - Very crowded mass transit, streets, and sidewalks
  - Schedule reductions/disruptions likely for some time
  - Resulting reluctance to resume commutes



## Surfaces and Hand Sanitation

- CDC Reopening Guidance for Cleaning and Disinfecting
  - Very detailed guidance on planning and implementation, including products and methods at <https://www.cdc.gov/coronavirus/2019-ncov/community/reopen-guidance.html>
- Surfaces warranting particular disinfection, cordoning off, removal, or propping include:
  - Shared materials (tools, copiers, keys, coffee/vending machines, kitchenware, refrigerators, etc.)
  - Delivered items (mail, packages, food, etc.)
  - Access points (handles, knobs, locks, power buttons, switches, time clocks, security pads, etc.)
- Establish and highlight soap-and-water washing stations and provide plentiful hand sanitizer, disinfecting wipes, and tissues

# Optimizing Air Quality Control



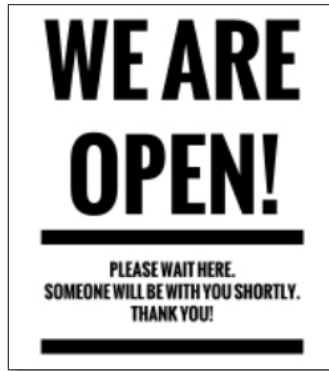
- Good interior ventilation (open windows, air filtration, well-engineered HVAC, etc.) helpful ... BUT pronounced forced horizontal or upward airflow can contribute to viral spread
- Costs with HVAC system renovation
- Limiting spread may also be warranted through barriers such as:
  - Personal face coverings (masks and even shields or hoods)
  - Plexiglass or other physical separations (aka “sneeze guards”)
  - Enclosed offices or other work rooms



## Physical Space Reconfigurations and Modifications

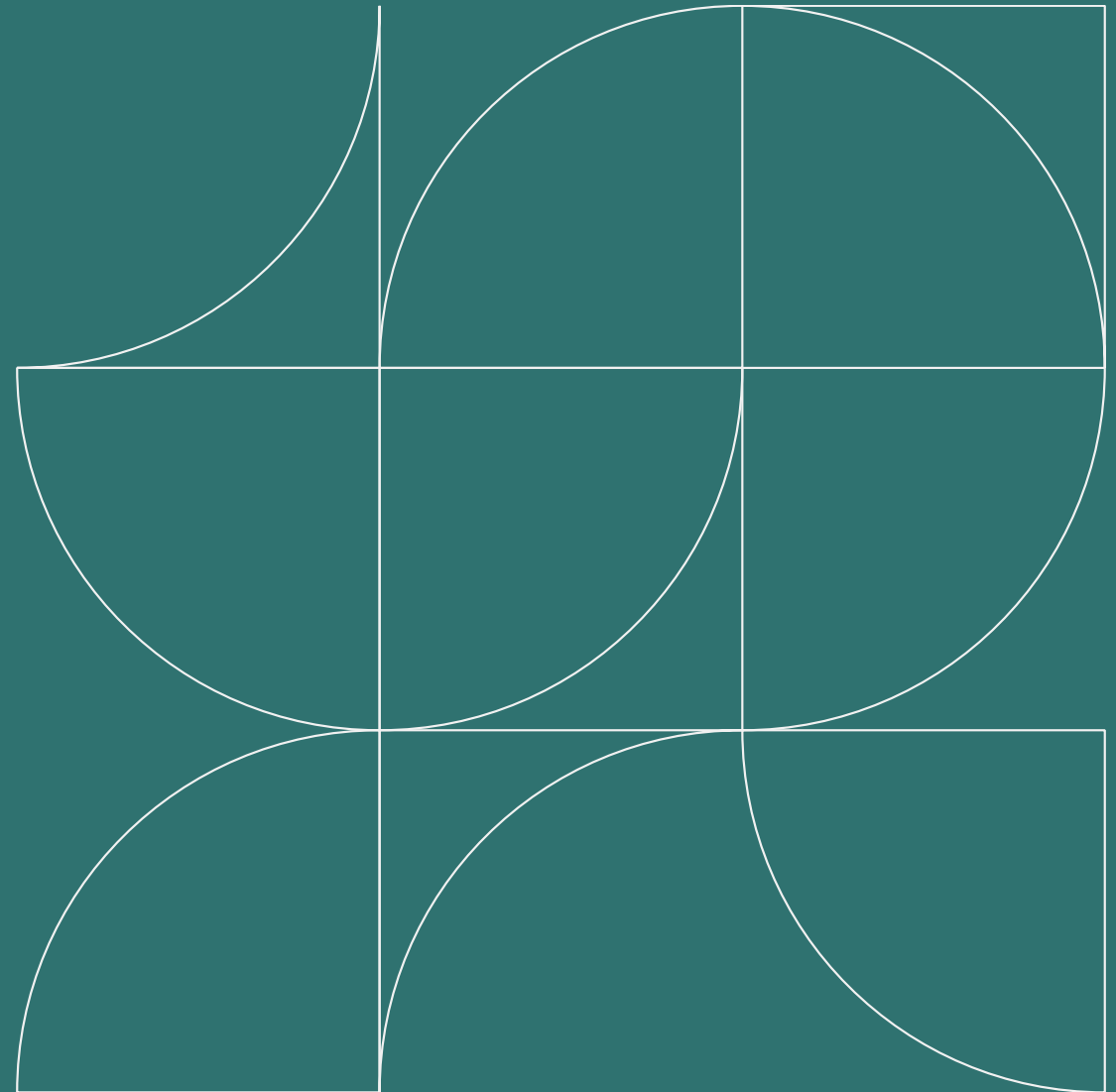
- Remove or close off commons spaces and features like inviting furniture
- Engineer and mark off one-way entrances and exits and pathways through narrow spaces like hallways
- Installation of touchless features (elevator, bathrooms)
- Tenant amenities (gyms, cafeterias)
- Access to retail space through common areas

# Postings / Signs



- Follow requirements for postings and signage (occupancy, social distancing, customer flow, etc.)
- Consider health and safety and PR in relation to promotional signage
- Use postings / signs (and training) to further all objectives discussed in this webinar

# Capital Planning: Budgeting for Increased Protective Expenses

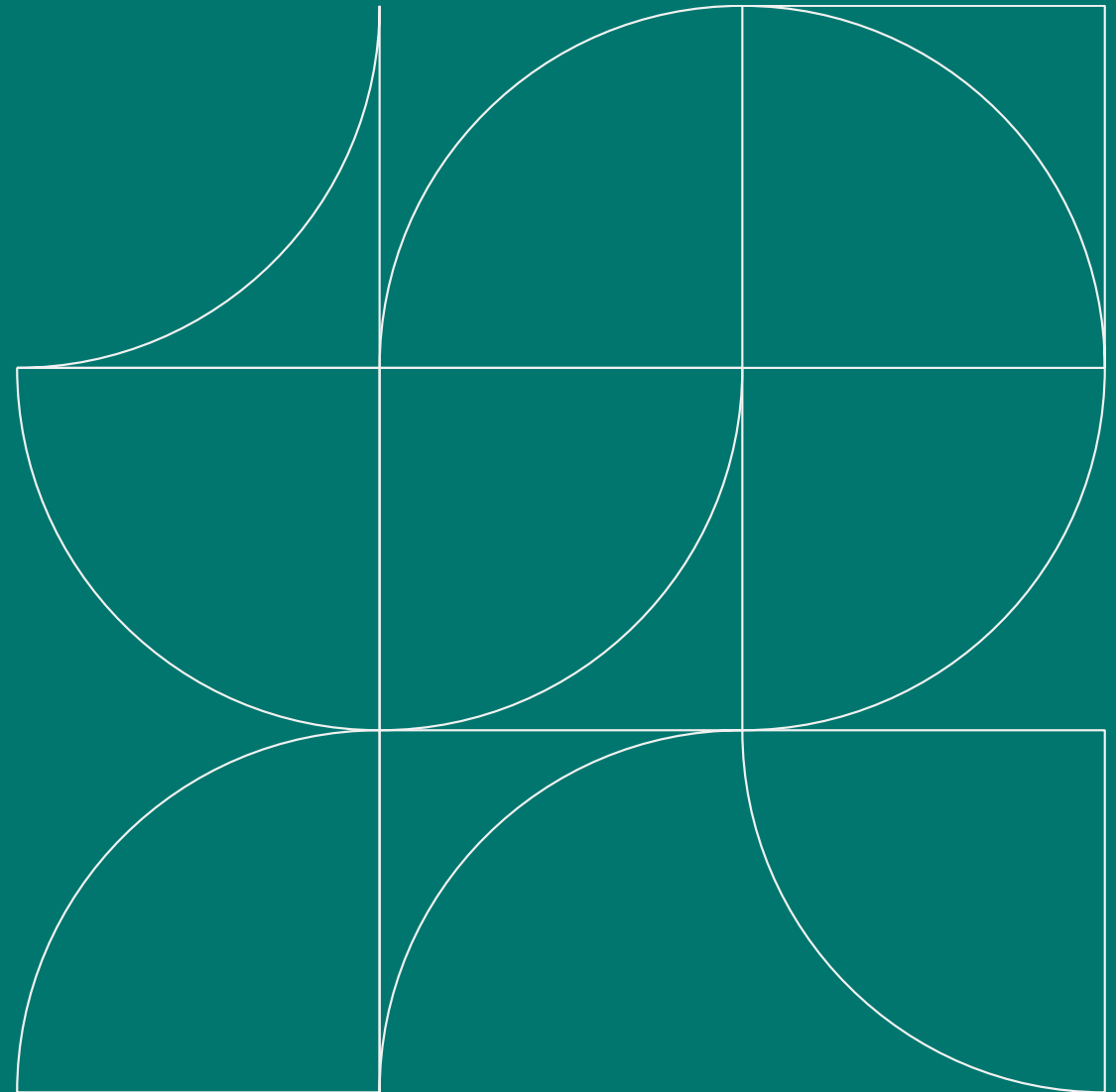


# Sources of Capital

---

- Mortgage Loan Capital Improvement Reserve
- Corporate Line of Credit
- Property Assessed Clean Energy (PACE) Financing
- SBA Loan Programs
- Partner Capital Call / Operating Budget Revisions
- Lease Additional Rent for Building Operating Costs / CAM

# Additional Resources



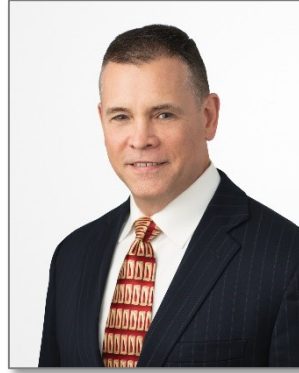


# Contact Information

---



**Lorie Almon**  
Labor & Employment  
Partner  
*lalmon@seyfarth.com*



**Miles Borden**  
Real Estate  
Partner  
*mborden@seyfarth.com*



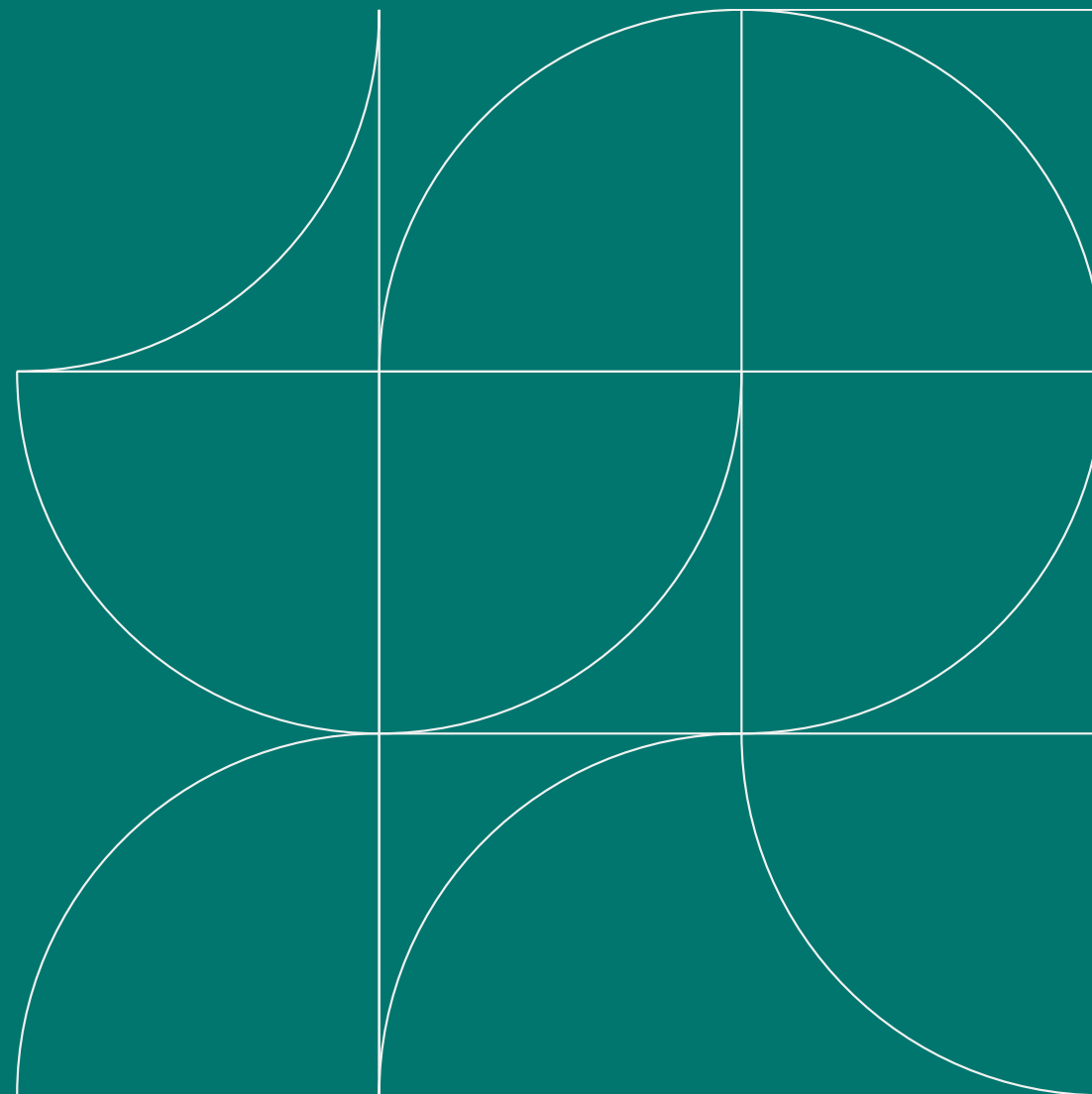
**John Napoli**  
Corporate  
Partner  
*jnapoli@Seyfarth.com*

**Visit Seyfarth's COVID-19  
Resource Center to sign  
up for daily updates:**

[www.seyfarth.com/returntobusiness](http://www.seyfarth.com/returntobusiness)



# Questions?



# Thank You

Seyfarth Shaw LLP  
(212) 218-5500 (New York)