

City Council – Action Request Form

Date: January 14, 2019

To: The City Manager

From: Damon C. Dequenne, Assistant City Manager
S. Kirk Bjorling, Real Estate Administrator

Council Action Requested:

Consideration of a Resolution Authorizing an Extension of a Lease Agreement with KDM of Wilmington, LLC, or Assigns, Providing a Site for a Leaf Mulching Facility for the Sanitation Department (North Ward)

Strategic Focus Area: Healthy Environment

Strategic Objective: Develop Comprehensive Solid Waste Mgt Strategies

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

On January 17, 2017, the City Council authorized a two-year extension of the existing lease of a lot at 3 W. Thirty-Second Street for a leaf mulching facility. This lot meets all requirements and specifications of the Sanitation Department and it has proven to be a significant financial benefit to the City to have a leaf mulching facility in this area of the city. The area is fenced and is covered in asphalt. It is approximately a three-acre eastern portion of Tax PIN 6836-29-0444. It is owned by KDM of Wilmington, LLC, or assigns, P.O. Box 69, Jamestown, NC 27282.

The current lease rate is \$3,121.20 per month. The owner is now requesting a 2% per year increase, which is believed to be reasonable. This will amount to an additional \$62.42 per month or \$749.04 per year in the first year of the lease and an additional \$63.67 per month or \$764.04 per year in the second year. It is proposed that the lease be extended for an additional two years at a rate of \$3,183.62 per month in the first year and \$3,247.29 per month in the second year, and the lease will run from March 1, 2019 through February 28, 2021, with an available option for extension. Although the site is heavily used during leaf season, the Sanitation Department will continue to use the facility year round for leaf storage, cart storage and vehicle staging.

The attached resolution authorizes the execution of a lease extension as stated herein, and as approved by the City Attorney's office.

Committee Action:

Committee	Finance 1/14/19	Action	Approval
For	Unanimous	Against	

Remarks: