

City Council – Action Request Form

Date: February 8, 2021

To: Mayor, Mayor Pro Tempore, and Members of the City Council

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

Council Action Requested:

Resolution Authorizing a Two-Year Lease Extension with Pratt Recycling, Inc. for a Portion of the Building Located at 2000 Lowery Street (East Ward)

Strategic Focus Area: Economic Vitality and Diversity

Strategic Objective: No

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

On April 29, 2011, the City of Winston-Salem purchased 51.56 acres of land and a 370,000 square foot warehouse type building located at 2000 Lowery Street. The property now serves as an extension of City Yard. At the time of purchase, a tenant, Visy Recycling, Inc., was leasing approximately ten percent of the building. Pratt Recycling, Inc. (Pratt), who was the successor to Visy Recycling, Inc., desired to extend the lease with the same options which existed on the assumed lease. A lease extension was granted which extended the initial term for five years until March 31, 2016. This lease extension included a lease option for one (1) three year renewable option followed by one (1) two year renewable option. In 2016, the three year option was exercised, which extended the lease until March 31, 2019. In order to assist Pratt during a trying economic time, the City Council authorized the final (2) two-year renewal option be in the form of a month-to-month lease.

The recycling market has now improved and Pratt is requesting a firm lease with a two-year commitment to replace the current month-to-month lease structure. The lease extension would run from April 1, 2021 through March 31, 2023. The conditions of the current lease would remain in effect, including the current lease rate of \$17,226.30 per month, or \$206,715.60 per year.

Committee Action:

Committee	<u>Finance 2/8/2021</u>	Action	<u>Approval</u>
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For	<u>Unanimous</u>	Against	<u></u>
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Remarks:

Staff has determined that the leased space will not be needed by the City for the additional two-year term of the lease and is supportive of the lease extension.

The attached resolution authorizes a two-year lease with Pratt Recycling, Inc. as described herein and as approved by the City Attorney.