

City Council – Action Request Form

Date: January 9, 2023

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

From: Aaron King, Assistant City Manager
Travis Cockerham, Real Estate Administrator

Council Action Requested:

Resolution Authorizing a Four-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 a three-year renewable option, followed by a two-year renewable option. In 2016, the three-year option was exercised, which extended the lease until March 31, 2019, and in 2021, a two-year extension was authorized, which will terminate March 31, 2023. Pratt recently requested another two-year lease extension, which was subsequently approved by City Council on November 14, 2022.

Pratt is now requesting a four-year extension to the lease commitment to replace their current lease structure. The lease extension would run from April 1, 2023, through March 31, 2027. 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 1/9/2023</u>	Action	<u>Approved</u>
For	<u>Unanimous</u>	Against	<u></u>

Remarks:

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

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