

**CITY OF BOULDER  
CITY COUNCIL AGENDA ITEM**

**MEETING DATE: July 7, 2009**

**AGENDA TITLE:** Public hearing and consideration of a motion to direct staff to prepare a cost-sharing agreement with Boulder County according to certain terms for the purchase of a site for the relocation of the Eco-Cycle office, the Center for Hard-to-Recycle Materials (CHaRM) and the Center for Resource Conservation's (CRC) ReSource facility, and to direct staff to prepare an ordinance increasing the Trash Tax rates in accordance with Option 1.

**PRESENTER/S:**

Jane S. Brautigam, City Manager  
Paul Fetherston, Deputy City Manager  
David Driskell, Executive Director of Community Planning  
Ruth McHeyser, Deputy Director of Community Planning  
Jonathan Koehn, Manager of Environmental Affairs  
Elizabeth Vasatka, Environmental Coordinator

**EXECUTIVE SUMMARY:**

The purpose of this agenda item is to:

- Provide a comparison of 6400 Arapahoe Ave. with the brickyard site as potential permanent sites for the Eco-Cycle office, Center for Hard-to-Recycle Materials (CHaRM) and the Center for Resource Conservation's (CRC) ReSource facility;
- Provide a summary of the outstanding unresolved issues related to 6400 Arapahoe as a potential site for these uses with additional county waste reduction uses;
- Receive direction on a draft cost-sharing agreement if the city and county decide to move forward with a joint purchase of 6400 Arapahoe; and
- Receive direction on options for increasing the Trash Tax, in order to fund the city's portion of costs for acquiring and preparing a site for Eco-Cycle, CHaRM and ReSource.

Since mid-May, city and county staff have worked together to evaluate 6400 Arapahoe Ave. as a possible site for the relocation and expansion of the Eco-Cycle office, CHaRM and ReSource facility and for additional waste reduction activities. This memo provides the results of the site assessment and estimated costs and compares this site with the other site option, the four-acre brickyard parcel, which the city has an option to purchase from Western Disposal until January 2011. More recently the county has indicated that it is not interested in contributing funding to the brickyard site, and Eco-Cycle and the CRC have stated that they do not have resources to contribute to site acquisition.

Consequently, the four brickyard scenarios presented to council on the May 19, 2009, which assumed a \$2 million county contribution and a range of options for nonprofit contribution, would no longer be viable, given a maximum contribution from the city of \$5.7 million. Therefore, this memo presents a revised brickyard option, which assumes no contribution from the county or nonprofits and \$5.7 million in funding from the city.

One key outstanding issue with 6400 Arapahoe Ave. is the extent to which environmental remediation may be needed for underground storage tanks discovered on-site, and the costs and responsibilities for any remediation (see Phase 1 Environmental Report in **Attachment H**). These details are unknown at this time. The county and city's environmental consultants, Pinyon Environmental Engineering and Temkin Wielga Hardt & Longenecker respectively, are currently verifying that past remediation was properly completed and recorded and will recommend any necessary next steps to staff. The county must report the consultants' findings to the seller by July 3 and could re-negotiate the terms of the purchase contract at that time. A copy of the consultants' report will be forwarded to City Council and the Boulder County Commissioners as soon as staff receives it, likely no later than July 2. Staff will provide a verbal update to council at the July 7 meeting.

City and county staff have been working together to develop draft terms for a cost-sharing agreement between the city and the county for 6400 Arapahoe Ave. should the city decide to move forward on the purchase. The terms are discussed in Section II of this memo.

Other key issues regarding 6400 Arapahoe Ave. need to be further explored before staff can recommend whether to purchase that site or the brickyard site, including:

- Addressing concerns raised by the Boulder Valley School District and attendees of a neighborhood meeting held June 30;
- Options and costs for improving Arapahoe Avenue access; (The city has commissioned a preliminary traffic study. Staff will provide a verbal update of the results of that study July 7. Additionally, city staff is exploring secondary access options with the Boulder Valley School District).
- The most appropriate ownership option (the city prefers separate ownership whereas the county may prefer joint ownership).
- The appropriateness of future uses given the BVCP land use designation and surrounding context and/ or options and costs of mitigating any impacts.

Staff recommends asking the sellers of 6400 Arapahoe Ave. to extend the deadlines in the purchase contract to allow more time for the city and county to work through these issues and report back to the County Commissions and City Council for direction. It should be noted that the sellers have previously indicated that they are not willing to extend this deadline. If they do not agree to extend, the city will need to decide whether to move forward with the purchase of 6400 Arapahoe with the uncertainties listed above or whether to move forward with the acquisition of the brickyards site instead.

In either event, the staff recommended funding method for the city's contribution to the nonprofit facilities is a 20-year bond against the Trash Tax. As previously discussed by council, Trash Tax rates will need to be increased in order to pay back the bond. Options for increasing the tax rates are provided in Section III and **Attachment D**. Staff is recommending Option 1, which is an increase of \$27 per year for the majority of residential trash customers and no increase for commercial customers.

This memo also provides responses to questions from the council May 17 and June 9, 2009 meetings, in **Attachment E**.

**STAFF RECOMMENDATION:**

**Suggested Motion Language:**

Staff requests council consideration of this matter and action in the form of the following motion:

A motion to:

- 1) direct staff to propose extending the purchase contract deadlines for 6400 Arapahoe Ave. to allow more time for the city and Boulder County to explore issues related to the site, specifically moving the contract termination deadline to at least July 22;
- 2) provide feedback to staff on terms of a draft cost-sharing agreement with Boulder County for the potential joint purchase of 6400 Arapahoe Ave. for review by council on July 21; and
- 3) direct staff to prepare an ordinance increasing the Trash Tax rates in accordance with Option 1 for final consideration following council's decision on which site to purchase July 21.

**COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS:**

- **Economic:** Providing a permanent location and expanded facilities for the Eco-Cycle office, CHaRM and ReSource will provide economic benefits to Eco-Cycle and the CRC by allowing them to expand their programs and strategically plan for future business development. CHaRM employs 4.5 full-time employees and would likely add two or three employees at an expanded facility. ReSource employs 7.25 full-time employees and anticipates adding 4.25 full-time employees at an expanded facility.
- **Environmental:** The continued improvement and expansion of waste reduction infrastructure improves opportunities for city and county residents and businesses to reduce waste and recycle. Reducing the amount of solid waste going to landfills conserves resources and reduces energy use, greenhouse gas emissions, and groundwater pollution.
- **Social:** The co-location of waste reduction facilities within the community will make recycling more convenient for city and county residents and businesses.

ReSource provides low-cost used building materials, allowing homeowners and businesses to reduce the cost of renovations and other building projects. In addition, a community repair workshop and green job education center would be provided at 6400 Arapahoe Ave., offering skills training, education and opportunities for internships/ mentorships.

**OTHER IMPACTS:**

- **Fiscal:** City Council voted in support of considering city funding of up to \$5.7 million for acquiring a site and buildings for the relocation and expansion of the Eco-cycle office, CHaRM and ReSource. The exact amount will depend on which of the two site options council directs staff to pursue for purchase; however, the total city contribution for either site is expected come close to \$5.7 million. (\$1 - \$1.3 million, depending on the site, is already set aside, so the bond amount would be up to \$4.7 million.) Annual lease agreements with the nonprofits will be negotiated to recover all or part of the annual operations and maintenance costs.
- **Staff time:** If the cost-sharing agreement stipulates that the city will manage the new property, additional staffing may be needed. This preliminary cost has been included in the Operations and Management section of total city costs in **Attachment B**.

**PUBLIC FEEDBACK:**

City staff met with Boulder Valley School District (BVSD) Assistant Superintendent Joe Sleeper and Executive Director of Bond Planning, Engineering and Construction Don Orr on June 23 to discuss city/ county purchase and land uses planned for 6400 Arapahoe Ave., which abuts BVSD headquarter offices and Arapahoe Ridge School to the east. The BVSD has recently built an addition to their offices, a professional development training center, on the west side of their site, close to the eastern side of the 6400 Arapahoe site. This new building, which trains hundreds of attendees during the week, could be impacted the most by the potential operations on the site.

From their experience of the site's past and discussion of the future uses, their main concerns were on impacts of traffic flow and access to the site, noise, dust, garbage, trucks and heavy equipment operating at the site. They would look to the city and county to mitigate potential impacts. After meeting with city staff, they solicited input from several hundred employees who spend at least a portion of their day at the BVSD complex. Respondents voiced the same concerns, as well as concerns about potential allergens and pollutants/ hazardous materials and the fact that the complex is down-wind from 6400 Arapahoe. Specific suggestions included barriers to reduce wind-blown dust and garbage, paving dirt portions of the site, a landscaped or tree-lined border between the two properties, and operational limits on activities on the east side of 6400 Arapahoe.

Nonetheless, BVSD staff gave positive feedback on potentially having the city/ county/ Eco-Cycle and CRC as neighbors, with possibly partnering on sustainability efforts and

most notably the efforts to develop green job trainings, certifications and incubating new local jobs.

An open house for other property owners near 6400 Arapahoe Ave. was jointly hosted with the county on June 30 at the Boulder County Recycling Center. Staff provided information regarding the proposed purchase and uses, and Eco-Cycle and CRC representatives were present as well, with display booths on their organizations' activities. Approximately 15 people attended, mostly nearby residents and commercial property owners. Participants expressed the following concerns:

- Traffic impacts from site users and employees on Arapahoe Avenue
- Congestion and difficult access on Arapahoe Avenue
- Consideration of traffic and access issues *prior* to purchase of site, and adequate opportunity for the public to comment on traffic study results.
- Noise impacts on nearby neighborhoods (compounding train noise that already exists)
- Junkyard appearance of ReSource yard
- Purchase price too high, sellers making an exorbitant profit
- Potential for groundwater contamination if Hazardous Materials Management facility located on site, and
- Impact on Sombrero Marsh and school field trips there.

A compilation of the written comments submitted by participants will be distributed to City Council at the July 7 meeting. Correspondence the city has received on the project thus far is in **Attachment L**.

### **BACKGROUND:**

On May 19, 2009, City Council considered funding scenarios for securing a permanent site and buildings for the relocation and expansion of the Eco-Cycle office, CHaRM and ReSource. Council voted in support of city funding up to \$5.7 million, to be paid by the approximately \$1 million currently set aside and by an increase to the Trash Tax within the voter-approved maximum. Council also directed to staff to work with Boulder County on acquiring and funding a site.

At a June 9, 2009, study session, City Council reviewed and commented on the project process and schedule and on proposed principles for developing a cost-sharing agreement with the county. Council members expressed general concern for cost-sharing equity among the city, the county, the nonprofits and other Boulder County communities. A draft summary of the study session is included in **Attachment I** and will be reviewed by council on July 21.

Two possible sites are currently under consideration: the four-acre brickyard parcel associated with the Western Disposal annexation and 6400 Arapahoe Ave. The city has an option to purchase the brickyard parcel until January 2011. The county is under contract to purchase 6400 Arapahoe Ave., with the expectation that the city will participate in the purchase consistent with council's vote on May 19. The closing date for purchase of 6400 Arapahoe Ave. is July 22, 2009.

**ANALYSIS:**

Analysis is provided on three key project components:

- I. Site analysis (A.) and purchase recommendation (B.)
- II. Key terms in the cost-sharing agreement for purchase
- III. Trash Tax increase options for funding the city’s portion of the cost-sharing agreement.

**Site Analysis and Purchase Recommendation**

A. Analysis of 6400 Arapahoe Ave.

Staff’s analysis of 6400 Arapahoe Ave. addressed the following topics:

- 1) Overview of the site
- 2) Annexation and other land use review processes
- 3) Environmental Remediation
- 4) Site Development
- 5) Arapahoe Avenue improvements and access
- 6) Purchase price
- 7) Total estimated city costs
- 8) Potential city cost-savings and additional revenues, and
- 9) Nonprofits contribution.

1) Overview

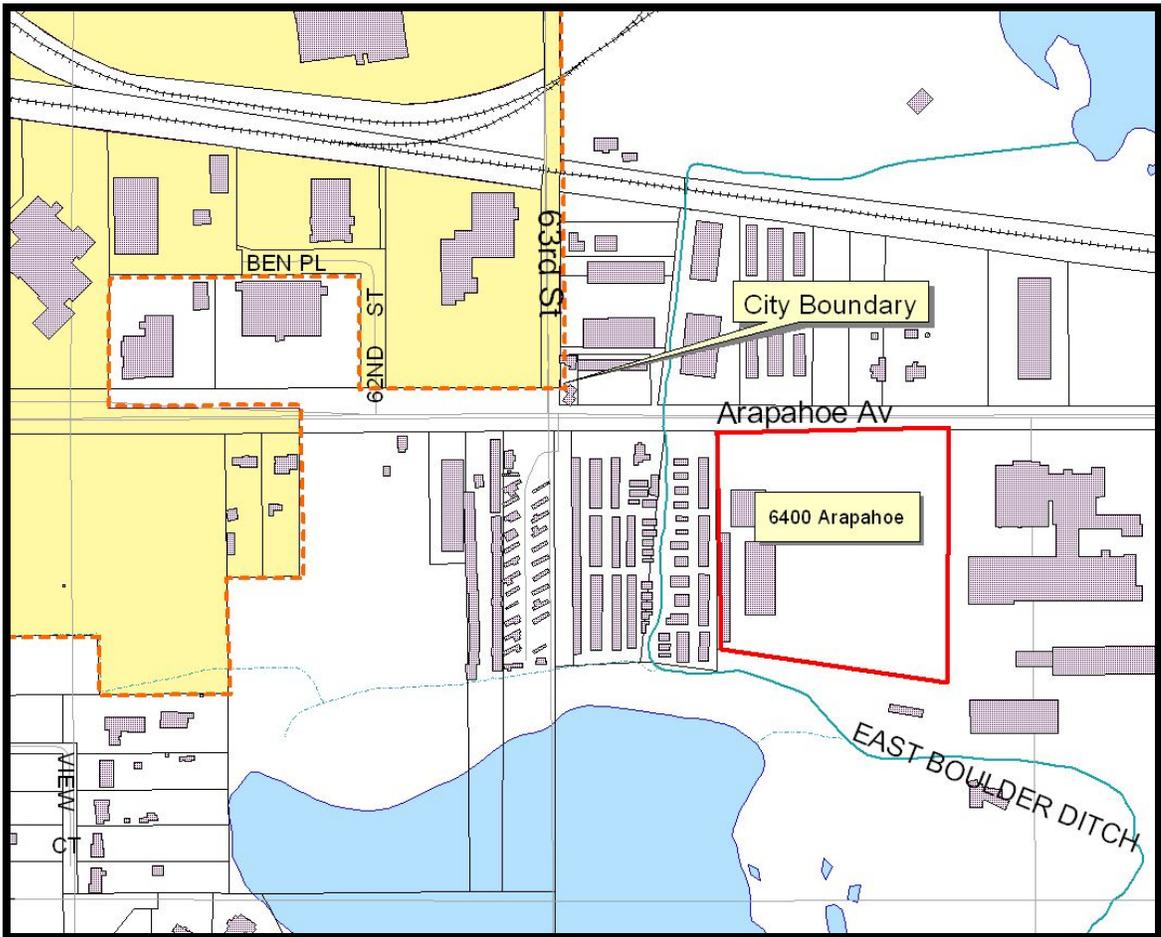
The site is 9.47 acres in size and has three existing buildings: a 12,000 square-foot office/ showroom, a 12,000 square-foot warehouse with a 5,000 square-foot roof overhang for outdoor storage, and an 8,000 square-foot structure of roofed storage. Eco-Cycle, CHaRM and ReSource would occupy these buildings. (**Attachment A** provides aerial photos of the site and its surrounding context.)

The remainder of the site, approximately four to five acres, would be used for additional waste reduction activities and a possible facility. Possible future uses could include:

- Relocating the Hazardous Material Management facility (HMM)
- Pilot in-vessel commercial composting
- Construction and demolition material diversion, such as concrete and asphalt collection and processing and “soft-strip” interior construction material recycling.
- Other pilot waste diversion projects (exact nature unknown at this time).

Future uses would be required to comply with Boulder Valley Comprehensive Plan (BVCP) policies and city regulations. Public and neighborhood input would also be sought regarding proposed uses. Additionally, bonding and tax requirements may restrict for-profit uses on the land if the city owns the property. This issue is still being investigated by the Finance Department. The issue of the process for determining future uses, as well as management and ownership of the property, are addressed by the proposed terms for the cost-sharing agreement with the county, discussed in Section II of this memo.

The site is currently located in the jurisdiction of Boulder County and served by out-of-city utilities. It is adjacent to the Boulder Valley School District (BVSD) headquarters to the east; storage units to the west; Sombrero Marsh and the East Boulder Ditch to the south; and within proximity of The Reserve county subdivisions (approximately 1,000' feet to the south) and Ridgelea Hills (about 1,200' to the southeast). A portion of the Ridgelea Hills development is located on a hill and overlooks the Sombrero Marsh and the southern portion of the site. A mobile home park, and single family homes and a synagogue are located to the west along Cherryvale Road. To the north across Arapahoe Avenue are light industrial uses, including storage units, truck rental, a carpet warehouse, and an automotive service center.

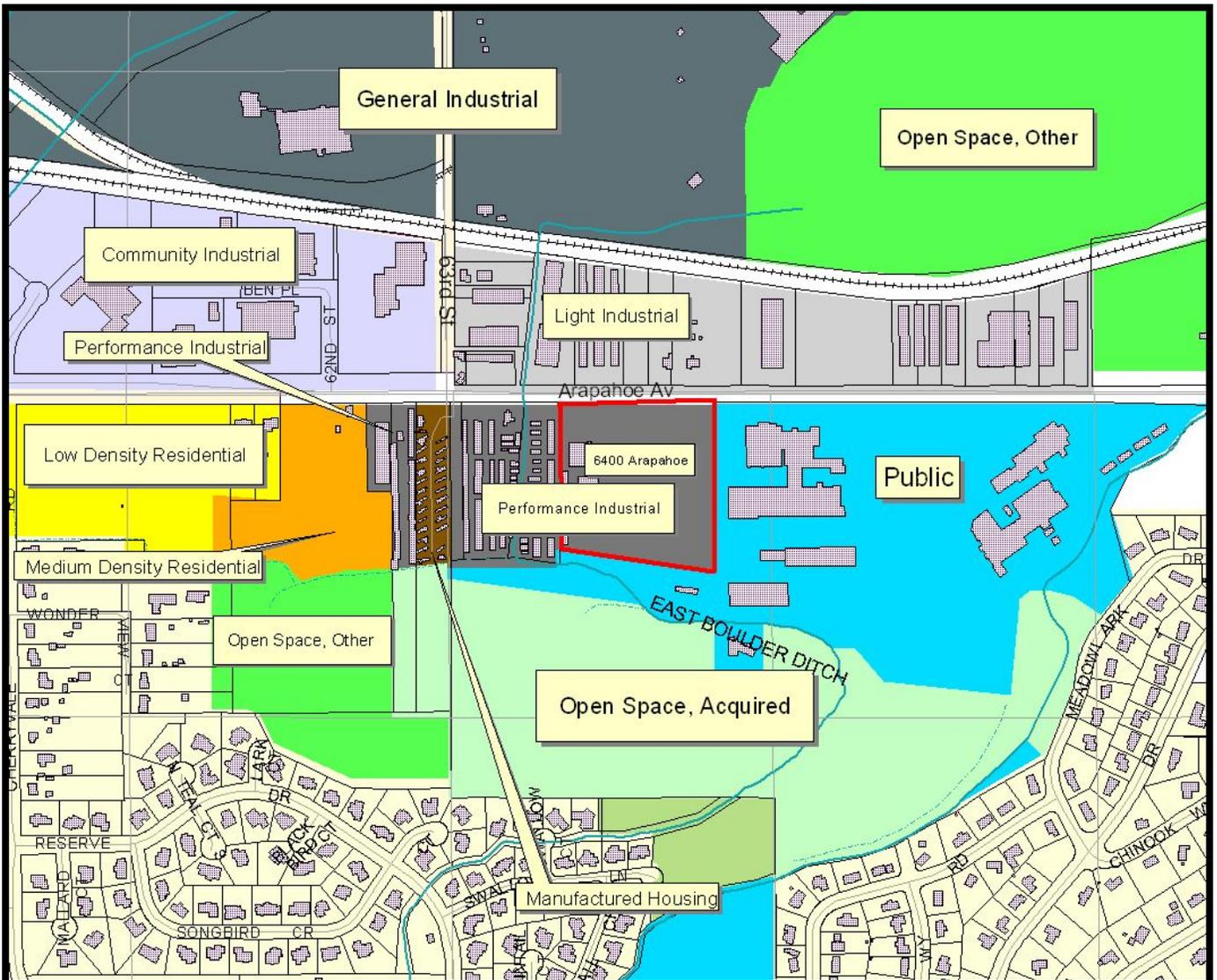


*\*City Boundary Map*

The Sombrero Marsh is an exceptional ecological resource in the Boulder Valley. It is the only naturally occurring perennial open water body of its size in the Boulder Valley totaling over 20 acres. The Boulder Valley School District sold the marsh to the city in 2000, and maintains a 4,800 square foot environmental education facility northeast corner of the property. The center, the result of a partnership between the school district, Thorne Ecological Institute, Go Colorado and OSMP, was finished in June 2001. It contains a small library, viewing and assembly areas and a laboratory

for studying water and wetland soils. The western portion of the wetland remains off limits to the public and functions as a wildlife sanctuary.

The site is designated Performance Industrial (PI) in the Boulder Valley Comprehensive Plan (BVCP). PI is defined in the BVCP as *primarily research and development, light manufacturing, large scale printing and publishing, electronics, or other intensive employment uses. These uses are concentrated primarily in 'industrial parks' located within the Gunbarrel Hill area along the Longmont Diagonal, and along Arapahoe Avenue between 33rd and 55th streets. Performance Industrial uses require high-quality site plans and must meet performance criteria for how on-site and off-site impacts are handled.*



\*BVCP Land Use Designation Map

The BVCP land use designation structure in the area represents a transition in intensity from the more intensive General Industrial and Light Industrial uses on the north side of Arapahoe Avenue to a reduction in intensity in the Low and Medium

Density Residential, Performance Industrial, Public and Open Space designations on the south side of Arapahoe Avenue toward the Sombrero Marsh.

2) Annexation and other land use review processes

The property would be annexed to the city due to the urban nature of the proposed land uses. As stated above, if the current Performance Industrial BVCP land use designation is retained, this will require the site to be improved to a higher level and for any use impacts to be minimized or mitigated. The city zoning for the property would likely be General Industrial, which would allow the proposed and potential future uses, including possibly ancillary retail sales of recycled or repairs goods and limited processing.

The annexation process is estimated to take four to eight months to complete. Site Review and Concept Plan Review would only be required if construction or major remodeling were proposed in the future. Otherwise, the nonprofits may move in and start operations in the existing buildings after building repairs and minor remodeling. ReSource must vacate its current location no later than August 31, 2010, and if necessary, could relocate to 6400 Arapahoe Ave. under current county zoning prior to the completion of the annexation process.

3) Environmental remediation

The Phase I Environmental Assessment report (**Attachment H**) for the site, prepared by Pinyon Environmental Engineering and reviewed by Temkin Wielga Hardt & Longenecker, identified issues that warranted the county to request a two-week extension for document research to verify that past remediation was properly completed and recorded. The seller of the property agreed to the extension, and the county and consultants have until July 3 to report back the findings of the Phase I to the sellers. The county could re-negotiate the terms of the purchase contract based on those findings. A copy of the consultants' report and recommendations will be forwarded to City Council and the Boulder County Commissioners as soon as staff receives it, likely no later than by July 2. Staff will provide a verbal update to council at the July 7 meeting. Unless re-negotiated with the seller, the date to terminate the purchase contract remains July 10 and the closing date is July 22.

4) Site development

Assuming Eco-Cycle, CHaRM and ReSource will occupy the site largely "as is" (only building and site repair and minor remodeling), then site development costs will include:

- Improved access from Arapahoe Avenue, possibly sharing access with the BVSD site,
- Maintenance to the existing landscaping, and
- Pavement repair.

These costs are included in the estimated costs in **Attachment B**.

Any future construction or major remodeling (equal to or in excess of building value), after annexation is complete, would trigger the Site Review requirement. The following site improvements would likely be required:

- Improved internal circulation and parking,
- Additional landscaping and screening,
- Relocation of the main water utility line,
- Improved stormwater drainage if the impervious surface area were increased and,
- Additional plant investment fees and development excise tax.

Until a site plan is developed for additional development, these costs can not be calculated.

5) Arapahoe Avenue improvements and access

The Colorado Department of Transportation (CDOT) is planning to widen and upgrade Arapahoe Avenue from Cherryvale Road to 75<sup>th</sup> Street. This would include sidewalks, bike lanes, curb and gutter, a center left-turn lane and a right-turn lane. The state would require a 32'-wide right-of-way along the property frontage, reducing the property size by approximately 0.5 acre. However, since this project is not yet fully funded, construction has not been scheduled.

A preliminary traffic study for the site will be prepared prior to the July 7 council meeting. The study's intent is to evaluate access, trip generations and traffic flow. One key issue is left-turn access to and from Arapahoe Avenue, which can be difficult during peak traffic hours. Staff is exploring the possibility of acquiring secondary access on a private road owned by the BVSD. Their road runs along the south side of the site (on BVSD property) and terminates at a public right-of-way that connects to the traffic signal at 63<sup>rd</sup> and Arapahoe. A shared access agreement would need to be negotiated with the BVSD. A rough estimate of half of the cost for acquiring access and improving this road is included in the city cost estimate in **Attachment B**, with the assumption that the county would pay the other half. It may be possible to also share access and improvement costs with properties to the west.

6) Purchase price

Based on research of similar property in the area, Real Estate Division staff believes that \$5.45 million is a good purchase price for this Area II large acreage industrial property with the buildings and storage space described above (Section 1) and connected to city services. By way of comparison, the adjacent 5.09 acre property at 6338 Arapahoe Ave., developed with rentable storage units, sold in May, 2006 for \$6.15 million. That price does reflect the income stream that comes with the real estate but does support the sales price for 6400 Arapahoe Ave. Assuming 6400 Arapahoe will be annexed to the city and zoned general industrial, its land value is estimated to be at least \$13 per square foot or approximately \$5.49 million, excluding the buildings that contribute additional value and are suitable for the intended uses.

7) Total estimated city costs, including current city payments to the nonprofits  
The estimated city costs for acquiring and preparing 6400 Arapahoe Ave. for use by Eco-Cycle, CHaRM and ReSource are provided in **Attachment B** and totals approximately \$4.8 million. This includes:

- the city's purchase contribution, \$3.45 million;
- building and site repair and remodeling, estimated at \$500,000;
- improved access, estimated at \$200,000;
- annexation-related plant investment fees and development excise taxes, estimated at \$418,000; and
- bond origination fee and interest to the county at \$143,100.

Annual operating and management costs (O & M) for the buildings are estimated to total \$71,600 (for the first year). Staff recommends that the tenants – Eco-Cycle and the CRC – be responsible for all of these costs. The city's practices and policy regarding tenant responsibilities for leased city property is described in **Attachment G**.

At the June 9, 2009 study session, council asked how much the city and other local communities pay each nonprofit for annual service contracts. In 2008 city payments and grants to Eco-Cycle and the CRC totaled \$336,700, of which \$283,700 were annual service contracts. (Details are provided in **Attachment C**.) Both nonprofits have service contracts with other Boulder County communities. The CRC provides contract services for energy and water conservation programs to Boulder County, Longmont, Lafayette, Superior, Louisville and Jamestown. These contracts account for 24 percent (\$53,757) of CRC's \$1,556,000 annual revenue. Eco-Cycle provides contract services for collecting and hauling recyclable materials and environmental education programs to Boulder County, Longmont, Broomfield, Lafayette, Louisville, Superior and Boulder Valley School District. These contracts account for 51 percent (\$1,800,000) of Eco-Cycle's \$3,540,000 annual revenue.

8) Potential city cost-savings and additional revenues

At the June 9, 2009, study session, council asked staff to brainstorm ideas to reduce the city's costs for this project. The following ideas were generated by staff, Eco-Cycle and the CRC. Other than the first cost-sharing item (moving ReSource by June 2010) and the first revenue item (sales tax), none of these are assured or formally proposed at this time.

Potential cost-savings:

- Move ReSource off its present site prior to June 1, 2010; this would reduce the \$60,000 cost the city negotiated with Special Transit to allow ReSource to stay on-site between June 1 and August 31, 2010.
- Contract with Eco-Cycle or a property management company to manage the site, instead of using city or county staff (additional research needed to ensure this would be a savings).
- Reuse ReSource's current buildings for any additional construction on the site.

- Require greater contribution from the nonprofits. See section 8) below.

Potential additional revenues:

Near-term:

- ReSource will generate 3.41% city sales tax if the site is annexed; based on current activity, approximately \$400,000 in sales per year would generate about \$13,500 annually.
- Charge a higher CHaRM drop-off vehicle fee for residents and businesses from other communities (approximately \$1 to \$2 additional; estimated total would be \$20,000 to \$40,000 per year); all or a percentage would go to the city.
- Initiate a charge for the drop-off of commercial recyclable demolition materials; a percentage would go to the city.

Long term:

- Mandate restaurant composting and initiate in-vessel composting program; a percentage of the tipping fees could go to the city (compost service provider would keep remainder; additional research would be needed to ensure net gain on program).

9) Nonprofits contribution

At the June 9 study session, council members raised the question of whether the nonprofits should contribute to the project. At the May 19, 2009 council meeting, staff presented a range of options for Eco-Cycle and CRC contributions to site acquisition and development, from \$0 to \$648,000 from Eco-Cycle and \$517,000 from the CRC. (The scenario summary in the May 19 council memo is provided in **Attachment M**.) However, since then, the nonprofits have indicated that they can no longer afford to contribute the maximum amounts they had proposed for the May 19 scenarios

As stated above and in **Attachment G**, the city's lease policy calls for tenants of city property to pay for utilities, their own insurance, routine maintenance, repairs under \$2,500 to \$3,500, and 1 percent for major maintenance and repairs, and 1 percent toward building replacement and renovation (adjusted annually for inflation). FAM staff recommends this approach based on its past experiences with management of leases with seven nonprofits. These costs are estimated for 6400 Arapahoe Ave. under the Operations and Maintenance (O & M) section of the total cost estimate in **Attachment B**.

Besides O & M, council may wish to reconsider whether the nonprofits should also contribute to the cost of site acquisition and development. For Worthy Cause Awards, the county requires nonprofits to participate financially in funding their facilities. County Worthy Cause contributions for nonprofit facilities have ranged from 7 to 60 percent of project costs.

Staff recommends consideration of the following three options for nonprofit financial participation, based on costs for 6400 Arapahoe Ave.:

1. O & M only (estimated at 72,000 annually)
2. O & M annually + one-time contribution for building repair and remodeling costs (estimated at \$370,000)
3. O & M annually + one-time contribution for building repair and remodeling costs + one-time contribution of 10 percent of the building value (estimated at \$1,370,000).

Eco-Cycle and the CRC would split these based on their percentage of building type and square footage use. A rough estimate of the split would be:

Annual estimated costs			One-time estimated costs		
Organization	%	O & M	Repair and remodel	10 percent of total hard costs	Total one-time payments
Eco-Cycle	60	\$43,200	\$222,000	\$82,200	\$304,200
CRC	40	\$28,800	\$148,000	\$54,800	\$202,800
<b>Totals</b>		<b>\$72,000</b>	<b>\$370,000</b>	<b>\$137,000</b>	<b>\$507,000</b>

B. Comparison of site options and recommendation

The summary table below compares the two site options: the four-acre brickyard site and 6400 Arapahoe Ave., in terms of size, facilities, employees and total cost. Statistics for the current nonprofit facilities are provided for reference. The brickyard option proposes a 35,238 square-foot building, 6,046 square feet smaller than originally proposed. This assumes city funding at \$5.7 million and no contribution from the county or the nonprofits.

Site Option Comparison							
Facilities	Land area (acres)	Covered outdoor space (square feet)	Warehouse (square feet)	Office (square feet)	Total building (square feet)	Employees	Total Cost*
<b>Current facilities</b>							
Eco-Cycle/ CHaRM	2.7	250	6,280	4,788	11,068	Eco-Cycle - 32 CHaRM - 4.5	
ReSource	1.2		6,475	200	6,675	7.25	
<b>Total</b>	<b>3.9</b>	<b>250</b>	<b>12,755</b>	<b>4,988</b>	<b>17,743</b>	<b>43.75</b>	<b>\$ -</b>
<b>Brickyard site option</b>							
Eco-Cycle/ CHaRM	2.5		15,000	5,238	20,238	Eco-Cycle - 32 CHaRM - 6.5	
ReSource	1.6		15,000		15,000	11.5	
<b>Total</b>	<b>4.1</b>		<b>30,000</b>	<b>5,238</b>	<b>35,238</b>	<b>50</b>	<b>\$5.7 million</b>
<b>6400 Arapahoe Ave. option</b>							
Eco-Cycle/ CHaRM/ Resource and additional uses	4.75 city 4.75 county 9.5 total**	13,000	12,000	12,000	24,000	Eco-Cycle - 32 CHaRM - 7.5 ReSource - 11.5 Total - 51	\$4.8 million
* Total cost includes site purchase, site development, building construction and renovation, annexation, and does not include annual operating and maintenance costs.							
** Assumes property is equally divided between the city and the county. The widening of Arapahoe Avenue is expected to reduce 6400 Arapahoe by approximately .5 acre, resulting in 4.5 acre for the city portion							

Comparing the two sites, at this point 6400 Arapahoe appears to be slightly better than the brickyard site in terms of acreage and building area for the nonprofits' facilities, and clearly better in providing a site for adjacent county-wide waste reduction infrastructure. However, 6400 Arapahoe is significantly less advantageous relative to access and potential neighborhood impacts, particularly for the county's proposed uses.

However, there are several key issues that need to be further explored before staff can recommend a site for purchase:

- The terms for the cost-sharing agreement with the county (see Section II below)
- The outcome of the environment assessment and any subsequent negotiations it triggers
- Options and costs for improving Arapahoe Avenue access
- The feasibility of future uses and the cost of mitigating any impacts on the surrounding area and neighborhoods.

City and county staff agree that the best course of action is to request that the sellers extend the deadlines in the purchase contract to allow more time for the city and county to work through these issues and report back to the County Commissions and City Council for direction.

## **II. Proposed Terms for Cost-sharing Agreement**

On June 9, Council generally supported the following principles for developing a cost-sharing agreement with the county:

1. Evaluate opportunities to generate income on the portion of 6400 Arapahoe Road that wouldn't be used by Eco-Cycle and the CRC, to help offset the city's costs.
2. Seek ways to make the cost-sharing more fair to city residents.
3. Seek a solid commitment from the county to equitably share among all users the purchase and operating costs for ReSource and CHaRM, over a number of years if necessary, since right now the city is paying 90 percent of the cost but city residents represent 50 percent of the users.
4. Even though council voted for the city contribution limit shown in Scenario 1D at the May 19 meeting, council should consider asking the nonprofits to participate financially, possibly with the 20-year payback option shown in the other scenarios.
5. Any ownership arrangement that works well logistically is acceptable, but the city should have approval/ veto power on the future uses and costs for the site.

Based on this direction, city staff worked with county staff to develop draft terms for inclusion in the cost-sharing agreement. However, the County Commissioners reviewed the draft terms and proposed several significant changes. These changes reflect concern about the compatibility of possible future uses, in particular construction and demolition waste management, with the current Performance Industrial land use designation and concern about the present uncertainty regarding the cost of future site improvement requirements, including mitigating the impacts of future uses. City staff's draft cost-sharing terms and the county's proposed replacement terms are provided in **Attachment D**. The key difference between them relates to ownership: City staff believes that separate city and county ownership of portions of the property would be most efficient, cost-effective and predictable in terms of planning uses and managing the site in the future. The county has proposed joint ownership, planning and management of the property.

## **III. Trash Tax Increase Options**

### **A. Additional revenue needed**

Assuming the 6400 Arapahoe location, the city already has \$1 million set aside for funding new Eco-Cycle, CHaRM and ReSource facilities. If the city contributes a total of \$5.7 million, then an additional \$4.7 million is needed, or approximately \$400,000 per year to pay back a 20-year bond. This could be covered by a moderate to significant Trash Tax increase.

B. Variables for increased tax rates

A Trash Tax increase for commercial trash customers could range from an additional \$0.06 to \$0.11 cents per cubic yard. This is a modest increase compared to that for residential customers because the commercial sector is already close to the maximum allowed tax rate for commercial trash customers; \$0.11 is the maximum possible increase (Option 3), and staff chose \$0.06 as an alternative option (Option 2) because it's roughly half of that.

There are several options for increasing residential tax rates, with varying increases for each residential service level. However, in order to generate the needed revenue, the largest increase must come from the majority of residential customers, which is one can - 32-gallon trash subscription level per week. This is reflected in the attached options 1, 2 and 3, shown in **Attachment E**.

In Option 1 the one can – 32 gallon trash customers experience the largest tax increase and the commercial tax rate is not increased at all. This option attempts to remedy the fact that in the past, businesses have paid 75 percent of the Trash Tax revenue, but only 20 percent of the tax revenue has been spent on programs and services for the commercial sector. Residents in multi-family units who use centralized dumpsters (provided by the HOA or property management company) are billed as commercial customers and therefore would not experience a rate increase.

Option 2 more evenly distributes the increase among the four residential services levels and raises the commercial sector rate by \$0.06 per cubic yard. The commercial tax increase would effect multi-family residents minimally, because the average service level for a multi-family complex is relatively small (about 34 cubic yards per month), which equals to a \$2.04 increase per month per complex.

In Option 3 the residential tax increase is tiered, with the lower the service levels experiencing the lowest tax increase of all the options. The commercial tax would increase by \$0.11 to the maximum allowed rate of \$0.85 per cubic yard. The impact on multi-family residents would still be minimal, due to the same factors above; however, the dollar impacts would be \$3.74 increase per month per complex.

C. Staff recommendation

Staff recommends Option 1, as it improves equity among Trash Tax payers in terms of tax paid versus services received, both between residential and commercial and among the different residential service levels. The largest increase falls on the majority of residents, those subscribing to one can - 32-gallon trash level, because they tend to be conscientious recyclers and use the zero waste infrastructure the most. Additionally, this one can – 32 gallon service level has never experienced a tax increase since the implementation of this tax in 1990. Their increase would total \$27 per year. The rate for the highest residential service level is already at the maximum and the two can – 64 gallon level would be increased to the maximum allowed rate \$3.50 per month. The two lowest residential service levels would be increased by 150 percent, but this only amounts to \$0.23 and \$0.90 per month. They are mildly

impacted because they constitute such a small percentage of total trash customers and produce the smallest amount of trash. Residents in multi-family units that are billed as commercial customers would not experience a rate increase.

D. Bond funding process

The tax increase should be approved by council before the Finance Department would move forward with issuing the bond. The bond issuance cost, estimated to be \$100,000, will be included in the bond amount. Finance staff is working with the city's bond counsel to ensure that the cost-sharing agreement terms regarding ownership, property management and additional uses will align with bonding and tax requirements. The process of issuing the bond will take at least three months.

Approved By:

---

Jane S. Brautigam,  
City Manager

**ATTACHMENTS:**

- A. Site map and context map for 6400 Arapahoe
- B. Estimated city costs for 6400 Arapahoe
- C. City payments to the nonprofits
- D. Draft terms for cost-sharing agreements from city and county
- E. Trash Tax rate increase options
- F. Answers to City Council questions from May 19 and June 9, 2009
- G. Background information on current city leases
- H. Phase I Environmental Report
- I. Draft June 9, 2009 study session summary
- J. Boulder Single Hauler Report
- K. Fee and Tax Considerations 2009
- L. Correspondence
- M. Summary table of scenarios from May 19 memo



# Context Map



6400 Arapahoe site		
Purchases	Costs or Estimates	Remarks
City's contribution to site costs	\$ 3,450,000	
Building & site repair and remodel	\$ 500,000	
Estimated access improvement costs	\$ 200,000	cost represents half of costs with the county paying half
Loan interest to county for 5 months @ 3% APR.	\$ 43,100	
Bond origination fee	\$ 100,000	
<b>Subtotal hard costs</b>	<b>\$ 4,293,100</b>	
<b>Annexation</b>		
Plant investment fees and development excise tax	\$ 418,248	City cannot be exempted from PIFs or DETs
Annexation and subdivision application and administrative fees	\$ 50,930	Cost-recovery value shown (two times the actual fee)
Assumes no city construction on site at this time	\$ -	
<b>subtotal soft costs</b>	<b>\$ 469,178</b>	
<b>Total costs</b>	<b>\$4,762,278</b>	
<b>Annual Operation and Maintenance</b>		
	<b>Costs per building type</b>	
O&M Office Areas	\$ 7,300	2% annually
O&M Warehouse Areas	\$ 6,800	1% annually
O&M Covered Garage Areas	\$ 1,600	.5% annually
Major Maintenance (all buildings)	\$ 13,700	1% total building values
Facility Renovation & Replacement (all buildings)	\$ 13,700	1% total building values
Utilities	\$ 14,600	\$2.00 / SF Office area
Custodial	\$ 10,500	\$1.50 / SF Office Only
Property Management Fee	\$ 3,410	5% Annual Costs
<b>Total costs</b>	<b>\$ 71,610</b>	
<b>Building values for purpose of calculating O &amp; M costs</b>		
Office Area = approx. 7,300 SF @ \$50/SF	\$ 365,000	
Warehouse / showroom Area = approx. 17,000 SF @ \$40/SF	\$ 680,000	
Roofed storage Areas = approx. 13,000 SF@\$25/SF	\$ 325,000	
	<b>\$ 1,370,000</b>	

## 2008 City payments to Eco-Cycle and the Center for Resource Conservation (CRC)

	Payment type	Amount	Frequency	City funding source
<b>Eco-Cycle</b>				
CHaRM operation and Eco-Cycle administration	service contract	\$96,000	annual	Trash Tax
Recycling outreach and education	donation	\$9,600	annual	Trash Tax
Boulder Valley School District environmental education	service contract	\$20,000	annual	Trash Tax
City organization recycling service	service contract	\$15,000	annual	Trash Tax
Dry-sorting study	grant*	\$40,000	one-time	EPA
<b>Eco-Cycle subtotal</b>		<b>\$180,600</b>		
<b>CRC</b>				
Recycle Boulder Hotline, education and CRC administration	service contract	\$25,000	annual	Trash Tax
ReSource professional site visits with demolition permit applicants	service contract	\$15,000	annual	Trash Tax
ReSource operational improvements study	grant*	\$13,000	one-time	EPA
Energy audits	service contract	\$80,000	annual	Climate Action Plan Tax
Water conservation programs	service contract	\$32,700	annual	city Water Conservation Office
<b>CRC subtotal</b>		<b>\$165,700</b>		
<b>Total</b>		<b>\$346,300</b>		
	<b>Subtotals:</b>			
	<b>annual</b>	<b>\$293,300</b>		
	<b>one-time</b>	<b>\$53,000</b>		

\* In 2006 the city received a federal earmark administered by the Environmental Protection Agency (EPA) for \$495,000 for planning Recycle Row. At the time of the award, the city asked Eco-Cycle and the CRC for proposals to increase efficiencies and explo

**Draft cost sharing agreement terms**

After a meeting with city and county staff, city staff drafted the conceptual points of the cost sharing agreement for a joint purchase of 6400 Arapahoe. Nothing contained here should be considered to be contractual in nature or otherwise bind either party to the specific terms contained in it. This will provide a frame work for going forward.

1. Objectives for use of the Property:
  - a. City - Home for Resource and Eco-Cycle - Other recycling or waste diversion uses that may also fit on the property. Predominately on the west side of the property
  - b. County – Incubator for recycling and waste diversion efforts. In the short tem, would like to use the property for home for the household hazardous waste program and construction and demolition waste stock piling and processing. Predominately on the east side of the property
  
2. Ownership:
  - a. Subdivide parcel into two parcels of approximate equal sizes. An east and a west parcel.
  - b. City to own west parcel (containing all existing buildings) and County to own east parcel.
  - c. County to subdivide using its community lot split process
  - d. Each party to grant the other a right of first refusal for any future sale
  
3. Purchase Price:
  - a. County to purchase the entire property.
  - b. City will attempt to repay its portion of the purchase price from bond proceeds sometime before the end of the year.
  - c. Bridge financing costs - 3% from purchase to closing. County will consider in kind contributions from city to pay this interest amount.
  - d. Price:
    - i. East side = \$ 2,000,000 --- Land only
    - ii. Westside = \$ 3,450,000 --- (\$2,000,000 land + 1,450,000 --- Improvements).
  
4. Development Costs:
  - a. County will share in costs to move water main to a more development neutral location, if that is something that is desirable to improve the development potential of the western portion of the property.
  - b. Annexation. Both parties will pay their own way regarding the costs of annexation, including things like plant investment fees for utility services.
  - c. Development costs- Each to bear its own costs for things that directly benefit property purchased. Share costs on jointly used facilities.

5. Operations.
  - a. Parties to share in the costs of mutually beneficial common elements. Common elements mentioned:
    - i. Access and circulation improvements and maintenance
    - ii. Biomass energy production facility
  - b. Agreements on how to share property or facilities. Idea: Allow land swaps, using long term leases to share in housing programs on the site.
  - c. Each party would independently manage its property.
  
6. Programming on the site.
  - a. Current - Home for Resource and Eco-Cycle
  - b. Future – Use the Household hazardous waste IGA – Collaborative programming model as an idea for how the County would do programming on the east side of the property.

On July 1, county staff met with the commissioners and redrafted the terms to reflect their essential deal points for the agreement. The county changes are reflected below.

Proposed Terms for a Partnership Agreement for 6400 Arapahoe

7. Objectives for use of the Property:
  - a. City - Home for Resource and Eco-Cycle - Other recycling or waste diversion uses that may also fit on the property. Predominately on the west side of the property
  - b. County – Flexibility to use the undeveloped portion of the site as an incubator for recycling and waste diversion efforts in furtherance of the County’s Zero Waste Resolution. Possible uses could include Construction and Demolition (C&D) waste, household hazardous waste, and in-vessel composting, among other potential uses. The County Commissioners objective for this property is to work with our community partners to determine the best use for this property to further waste diversion efforts. Based upon this analysis, Boulder County will bring a specific development plan for any new uses on the parcel forward for joint consideration by both parties.
  
8. Ownership:
  - a. Parties to purchase the property jointly and hold the property in joint ownership.
  - b. An Operating Agreement will be drawn up which outlines the on-going management of the property. Future uses of or improvements to the property will be determined by the City and County in cooperation, with neither party having veto power over the other.
  - c. If either the city or the county determine it is necessary to discontinue joint ownership and management of the property, the other party will be given the opportunity to purchase the interest in the parcel. If there is no interest by the other party in purchasing the property, the parties will equitably partition the property for sale of a portion to a third party. Boulder County agrees that if its

portion is sold to a third party, the County will repay the City the proportional amount of Annexation Costs.

9. Financial Considerations:

- a. County to finance the purchase of the property. Current purchase price is \$5.45 million.
- b. Boulder County will contribute \$2 million to the purchase price and annexation costs for the property.
- c. Boulder County will loan the City the funds necessary to complete the purchase of the 6400 Arapahoe parcel. Consistent with County policy in loaning money from the General Fund to public entities, this loan will be paid back to the County, plus 3% interest.
- d. City will attempt to repay its portion of the purchase price from bond proceeds sometime before the end of the year.

10. Other Costs:

- a. Boulder County has paid for due diligence expenses associated with property evaluation.
- b. The costs for jointly used facilities will be borne equally by the two parties.
- c. If it is determined that current location of the water main on the parcel is hindering the use of the parcel, the City of Boulder and Boulder County will share in costs to move water main to a more development neutral location on the parcel.
- d. Site Specific Development Costs will be borne by the party undertaking new development on the parcel. At this time there is no specific plan for any new development on the parcel.

11. Programming on the site.

- a. Current - Home for Resource and Eco-Cycle
- b. Future – Future uses on the site may include other programming in furtherance of the City's and County's waste reduction and zero waste goals. Any future uses should be undertaken using a collaborative programming model, including other municipal partners to defray the costs of programming.

Trash Tax Analysis  
2009 Estimates Rate Increase Options

2009 Estimated Trash Tax Revenue (*includes adjustments to revenue resulting from implementation of residential composting program - i.e., residents will generate less trash and may switch down volume of service).							2010 Estimated Trash Tax Revenue								
							Option 1		Option 2		Option 3				
	% of trash tax service in 2008	% of trash tax service in 2009*	customers per month	Customers/Quarters	Tax/month	Revenue/yr	Increase residential rate 150% for the first two service levels. Increase of over 200% for 1 can service level and max out 2 can service level to the \$3.50/month maximum . No rate increase to commercial customers	\$ increase to customer rates	Revenue/yr.	Flat fee of \$1.00/month, (except for the 32 gal customers at \$1.75) and increase commercial rate to \$0.80 cubic yard (or \$.06 more per cu. Yd.)	\$ increase to customer rates	Revenue/yr.	A more standard tiered fee increase and increase commercial rate max-ed to \$0.85 cubic yard	\$ increase to customer rates	Revenue/yr.
<b>Residential</b>															
Prepaid Bags	1%	3%	564	1,693	\$0.15	\$1,016	\$0.38	\$0.23	\$2,539	\$1.15	\$1.00	\$7,787	\$0.65	\$0.50	\$4,401
Every other week	n/a	9%	1,693	5,078	\$0.60	\$12,188	\$1.50	\$0.90	\$30,470	\$1.60	\$1.00	\$32,502	\$1.35	\$0.75	\$27,423
32 gallon/week (1 can)	50%	70%	13,166	39,499	\$1.10	\$173,794	\$3.35	\$2.25	\$529,282	\$2.85	\$1.75	\$450,285	\$2.50	\$1.40	\$394,987
64 gallon/week (2 cans)	33%	13%	2,445	7,335	\$2.50	\$73,355	\$3.50	\$1.00	\$102,697	\$3.50	\$1.00	\$102,697	\$3.50	\$1.00	\$102,697
96 gallon/week (3 cans)	16%	5%	940	2,821	\$3.50	\$39,499	\$3.50	\$0.00	\$39,499	\$3.50	\$0.00	\$39,499	\$3.50	\$0.00	\$39,499
<b>Residential Total:</b>	<b>100%</b>	<b>100%</b>	<b>18,809</b>	<b>56,427</b>		<b>\$299,851</b>			<b>\$704,487</b>			<b>\$632,769</b>			<b>\$569,007</b>
							Additional revenue		\$404,636			\$332,917			\$269,155
							<b>Commercial</b>			<b>Commercial</b>			<b>Commercial</b>		
<b>Commercial</b>		<b>303,754</b>			<b>\$0.74</b>	<b>\$899,113</b>	<b>\$0.74</b>		<b>\$899,113</b>	<b>\$0.80</b>		<b>\$972,014</b>	<b>0.85</b>		<b>\$1,032,765</b>
								\$0				\$72,901			\$133,652
<b>Total:</b>						<b>\$1,198,965</b>	<b>Additional revenue</b>		<b>\$404,636</b>	<b>Additional revenue</b>		<b>\$405,818</b>	<b>Additional revenue</b>		<b>\$402,807</b>

**Answers to City Council questions from May 19 and June 9, 2009**

**1. What is the program trade-offs if the city contributes up to \$5.7 million dollars to relocate Eco-Cycle offices, CHaRM and ReSource?**

In 2006, the City Council accepted the Master Plan for Waste Reduction as the roadmap to achieve an 85 percent waste diversion rate by 2017. Even though the current community-wide diversion rate is estimated to be 31 percent, the new residential curbside compost program and construction and demolition mandates are expected to increase diversion by 7 to 10 percent in 2009. The Plan estimated \$400,000 to relocate Eco-Cycle and CHaRM and did not identify any other Recycle Row capital cost.

New programs planned for the next three years will focus on increasing multi-family, rental and commercial waste diversion through more education and outreach and possibly regulation. Reducing and diverting commercial waste will substantially increase Boulder's community-wide diversion rate and is a critical component to meeting the zero waste goal.

Current Trash Tax funding will pay for these new, as well as current, waste reduction programs. If the current opportunity to purchase a permanent site for Eco-Cycle, CHaRM and ReSource weren't available, staff would not be requesting a Trash Tax increase for new programs for the foreseeable future, since current program funding is adequate.

The trade-off for the city's investment in a permanent site for the nonprofits is that city residential and commercial trash customers will pay more Trash Tax. But in return they will receive expanded services from Eco-Cycle, CHaRM and ReSource. And if 6400 Arapahoe is selected over the brickyard parcel, then an additional benefit for residents and businesses will be the future programs that will be developed on the currently unprogrammed portion of the site.

If the Trash Tax is increased by a moderate or significant amount, as proposed in this memo, to generate an additional \$400,000 per year for the site purchase, there will still be capacity to maximize the tax, which could generate an additional \$230,000 per year for waste reduction efforts, if determined necessary in future years to meet the zero waste goal.

**2. Provide a comprehensive cost estimates for annexation and other costs associated with acquiring a site and relocating the nonprofit facilities.**

Please see **Attachment B**.

**3. Include information that was provided in the previous memo on the financial support the city currently gives Eco-Cycle and the CRC, as well as how much other communities pay them for services.**

Please see Section IA.7) of the memo and **Attachment C**.

**4. Include a table comparing the two alternative sites in terms of costs and uses, including interim uses.**

Please see the table in Section IB. of the memo.

**5. What are the waste diversion rates in surrounding communities?**

Boulder has historically led the way in waste diversion efforts, and other Boulder County communities have followed suit, with the positive results: Their waste diversion rates have steadily increased over the years due to increasing and improving curbside collection services. However, it is difficult to compare diversion rates among the communities due to significant differences in reporting sources, methods and requirements. Nonetheless, none of the communities report higher diversion residential and/or community diversion rates than Boulder.

The table below shows the reported diversion rates for Boulder, Lafayette, Longmont, Louisville, Superior and unincorporated Boulder County. Note that Boulder is the only community that tracks comprehensive community diversion, as haulers are required to report residential and commercial material collection numbers. As stated above, all the other communities in Boulder County have less comprehensive residential and commercial diversion rate data. The residential data from other communities include materials collected at the curb and not those collected at drop-off centers and collection events. Commercial data from the other communities include Western Disposal customers only.

**2008 Waste Diversion Rates**

Community	Residential	Commercial	Community-wide	Notes
Boulder	39%	24%	31%	Rates include drop-off of yard & wood waste, construction materials, recyclables & hazardous materials.
Lafayette	29%	5%	15%	Residential rate does not include multi-family units or drop-off of yard waste, recyclables or hazardous materials. Commercial rate includes Western Disposal customers only.
Longmont	29%	N/A	N/A	Residential rate does not include multi-family units or drop-off of yard waste, recyclables or hazardous materials.
Louisville	16%	8%	11%	Residential rate does not include drop-off of yard waste, recyclables or hazardous materials. Commercial and community-wide rates include Western Disposal commercial customers only.
Superior	22%	N/A	N/A	Residential rate includes Rock Creek and old town (300 households) only.
Unincorporated Boulder County	18%	5%	12%	Residential rate does not include drop-off of yard waste, recyclables or hazardous materials. Commercial and community-wide rates include Western Disposal commercial customers only.
Source: SERA, Inc. consultants and Western Disposal Services				

**6. What are recent and other potential future tax and fee increases?**

Please see **Attachment J**.

**7. What are possible additional funding sources?**

No alternative funding sources have been identified. However, staff is continuing to track possible competitive grant opportunities through the American Recovery and Reinvestment Act.

**8. Additional jobs**

Please refer to the site option comparison table in Section IB. of the memo for current and additional jobs for Eco-Cycle, CHaRM and ReSource. In addition, it is estimated that 16 temporary construction jobs will be created for four months.

**9. What will be the social benefits of this project?**

In the short term the social benefit is creating convenience for residents and businesses to drop-off their reusable and recyclable materials. In the long term, the facilities would have a more educational and training focus in partnership with the city, Boulder County, University of Colorado and Boulder Valley School District.

- Eco-Cycle would like to create a “community repair center” in one of the existing buildings at 6400 Arapahoe Ave. Arapahoe Ridge students and/or other youth will learn to repair items dropped off at CHaRM. There may be an opportunity for students to sell repaired items on-site as well.
- Eco-Cycle also is interested in having a community education center on-site, with a classroom for green collar job training. The center also could coordinate with Boulder Green Building Guild to host speakers and expand its mentorship program to include Arapahoe Ridge students.
- The CRC has an internship program for high school students (currently eight interns), which may be expanded with the larger ReSource facility.
- The CRC currently has a grant to install solar panels on the Arapahoe Ridge building and is exploring this as an educational opportunity for Arapahoe Ridge students.
- Waste Stream Tours for schoolchildren will visit the new site. Currently 1,000 children and 200 parent-chaperones go on the tour every year.

**10. Provide information on the costs and benefits of contracting for a single hauler.**

A report on single-hauler contracting is provided in **Attachment H**.

**11. Provide ideas for encouraging or facilitating more recycling by rentals and multi-family unit residents.**

Improving recycling rates among multi-family units and rentals will be a collaborative effort with the city and county’s ClimateSmart program and possibly in-conjunction with the EPA “Climate Showcase Communities” grant that is being applied for by the city. In partnership with Boulder County, Longmont and the National Renewable Energy Lab, this opportunity for combined messaging and social mobilization efforts may entail approaches in the waste diversion efforts such as:

- A. Increasing outreach and assistance, including:
  - Improving educational signage at multi-family complexes.

## Attachment F

- Providing information on and rebates for purchasing interior recycling bins for multi-family tenants.
- B. Working with property managers, trash haulers and others to:
- Seek creative solutions to persistent problems at multi-family complexes, such as illegal trash dumping and contamination of recycling bins.
  - Track recycling needs at individual complexes and ensure that the appropriate levels of trash and recycling service are contracted.
  - Share ideas on how to successfully launch compost collection at multi-family complexes.
- C. Making regulatory changes, possibly including:
- Amending the Six Day Review requirement (which requires property managers in certain, predominantly student-rental areas to contract a hauler to monitor and empty full dumpsters six days per week during the move-in and move-out period) to address the problem that participants who are frequent targets of illegal dumping face higher trash collection fees.
  - Amending the Six Day Review period to occur only in August, not May.
  - Requiring property managers, not just haulers, to implement recycling collection service.
  - Mandating that multi-family residents have proof of trash service.
  - Mandate that rental leases have clauses requiring tenants to dispose of all personal property at the end of their lease.

These efforts are on the Waste Reduction work plan for the second half of 2009.

**Background Information on Current City Leases**

City departments currently lease space to seven nonprofit organizations – Eco-Cycle, The Dairy Center for the Arts, Boulder Museum of Contemporary Art, Boulder Historical Society, Chautauqua Association, Emergency Family Assistance Association, and Meals on Wheels – and to three businesses - Huckleberry Foods, Inc. at the Dushanbe Teahouse, Pollard’s Friendly Motors, and Mustard’s Last Stand. The city also leases space at the Airport and agricultural lands to private parties.

In all cases the nonprofit tenants pay a nominal rent, if any (\$0 to \$10 per year). Generally tenants are responsible for paying utilities, their own insurance, and routine maintenance. The city is sometimes responsible for major maintenance repairs when cost of the repair exceeds \$2,500 to \$3,500, depending on when the lease was executed. In some cases the nonprofit tenant is responsible for major maintenance repairs. FAM staff reviews tenant maintenance and risk/safety factors at leased facilities on an annual basis.

One FAM objective for future leases, adopted as an FAM Action Plan Goal, is for lease arrangements to include: 0.5 to 2 percent of the building value for ongoing maintenance and minor repairs (depending on tenant responsibilities and building use type); 1 percent for major maintenance repairs (over \$2,500 to \$3,500); and 1 percent toward building renovation and replacement. Meeting this objective in the new leases with Eco-Cycle and the Center for Resource Conservation (CRC) at their new site will be discussed when lease agreements are drafted in August 2009.

**PHASE I ENVIRONMENTAL SITE  
ASSESSMENT**

---

**Vacant Commercial Property  
6400 Arapahoe Road  
Boulder, Colorado**

**June 18, 2009**

**Prepared For:**

**Boulder County  
2025 14<sup>th</sup> Street  
Boulder, Colorado 80302**

**Attention: Mr. Keith Ickes**

**Pinyon Project #1/09-133-01.3300**

# PHASE I ENVIRONMENTAL SITE ASSESSMENT

Of

**Vacant Commercial Property  
6400 Arapahoe Road  
Boulder, Colorado**

**June 18, 2009**

Prepared For:

Boulder County  
2025 14<sup>th</sup> Street  
Boulder, Colorado 80302

Prepared By:

**PINYON** Environmental Engineering Resources, Inc.

Project #1/09-133-01.3300

Author:

---

Karen J. Carling  
Environmental Scientist

Reviewer:

---

Lauren E. Evans, P.E.  
President



**Pinyon** Environmental Engineering Resources, Inc.  
9600 West Jewell Avenue, Suite #1 • Lakewood, CO 80232-6357  
(303) 980-5200 • (303) 980-0089 (fax) • Colorado@Pinyon-Env.com • www.Pinyon-Env.com



# Table of Contents

1.0	INTRODUCTION AND SCOPE OF WORK	Page 1
2.0	PROJECT AND SITE INFORMATION	Page 5
2.1	Project Overview	Page 5
2.2	General Site Information and Current Conditions	Page 5
3.0	SITE DESCRIPTION	Page 9
3.1	Physical Setting	Page 9
3.2	General Site Environmental Conditions	Page 10
3.2.1	PCBs	Page 10
3.2.2	Heating/Cooling Systems	Page 10
3.2.3	Solid Waste Disposal	Page 11
3.2.4	Drains and Sumps	Page 11
3.2.5	Fill Material	Page 11
3.2.6	Underground Storage Tank	Page 11
3.2.7	Hazardous Substances or Petroleum Product Use	Page 12
3.2.8	Stained Soil or Pavement	Page 12
3.2.9	Monitoring Well	Page 12
3.2.10	Septic System	Page 12
3.3	Other Environmental Conditions	Page 13
3.3.1	Radon Gas	Page 13
3.3.2	Evidence of Wetlands	Page 13
3.3.3	Floodplains	Page 13
3.3.4	Asbestos	Page 14
3.3.5	Lead Based Paint	Page 14
3.4	Site History	Page 14
3.5	User Supplied Information	Page 17
4.0	ADJACENT AND NEARBY PROPERTIES	Page 19
4.1	General Off-Site Description	Page 19
4.2	Sensitive Environmental Off-Site Uses (Current and Historical)	Page 19
5.0	CONCLUSIONS	Page 21
5.1	Findings	Page 21
5.2	Opinion	Page 22
5.3	Additional Investigations	Page 22
5.4	Data Gaps	Page 22
5.5	Conclusions	Page 23
5.6	Conclusions and Recommendations Regarding Additional Services	Page 23
6.0	REFERENCES	Page 25
7.0	LIMITATIONS	Page 29
7.1	Deletions and Deviations from Standard	Page 30
7.2	Additions to Standard	Page 30

## **Appendices**

---

Appendix A	Resumes
Appendix B	Photographic Log
Appendix C	Glossary of Terms
Appendix D	Agency Database Report
Appendix E	User Questionnaire

## **List of Tables**

---

Table 1	Summary of Persons and Agencies Contacted
Table 2	Summary of General Site Observations
Table 3	Summary of Database Search
Table 4	Details of Identified Agency Listings

## **List of Figures**

---

Figure 1	Site Location
Figure 2	Site Plan

# 1.0 INTRODUCTION AND SCOPE OF WORK

---

## *Site Location (see also Section 2.0)*

Site: Vacant Commercial Property  
Address: 6400 Arapahoe Road (Figures 1 and 2)  
City: Boulder  
State: Colorado

## *Purpose and Scope of Services*

The purpose of this assessment was to perform an evaluation for the potential presence of hazardous and/or toxic materials (otherwise known as “Recognized Environmental Conditions”)<sup>1</sup> at the Site. This report is made pursuant to all appropriate inquiry into the prior ownership and uses of the Site, consistent with good commercial and customary practices appropriate to a commercial purchaser or fee owner of real property, and is intended to permit the user to satisfy one of the requirements to qualify for landowner liability protection.

This Environmental Site Assessment (ESA, also referred to as the Phase I report) meets the requirements of the ASTM “Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process E 1527-05.” The report was formatted for reading ease and does not follow the suggested ASTM format; however, it does include all components of the ASTM standard.

---

<sup>1</sup>Recognized environmental conditions (RECs) are defined by ASTM as the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, ground water, or surface water of the property. The term includes hazardous substances or petroleum products even under conditions in compliance with laws. The term is not intended to include de minimis conditions that generally do not present a threat to human health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate environmental agencies.

The scope of services for the project included the following:

### 1. Records Review.

- An evaluation of historical Site use, by reviewing the following sources:
  - Aerial photographs reasonably available from public sources;
  - Historical United States Geological Survey (USGS) topographic maps;
  - City directories;
  - Historical Sanborn Maps;
  - Previous Phase I ESAs;
  - Excerpts from a Previous Underground Storage Tank Assessment;
  - Assessor information; and
  - Interview with Site contact.
- A review of the compliance history of the Site, and of any adjacent sites, as identified by the regulatory database survey;
- A review of records reasonably available from appropriate federal, state and local regulatory agencies for documented soil and/or ground-water contamination investigations conducted at the Site and the vicinity, as defined by the ASTM standards;
- A review of available documents from local agencies (Table 1) to evaluate development of the Site and, where reasonably available or relevant to the Site, the adjacent properties;
- A review of information regarding the physical settings of the Site, including:
  - The current USGS 7.5-minute topographic map;
  - Geology information published by the USGS;
  - Ground-water information published by the USGS; and
  - Soil survey, published by the Natural Resources Conservation Service.

**2. Site Reconnaissance.** A reconnaissance survey of the Site and surrounding areas on June 12, 2009, to evaluate present conditions.

**3. Interviews.** Interviews with personnel familiar with the Site and surrounding areas, including the Principal General Manager of Colorado Tennis Facilities, LLC, Greg Beserra, were conducted by Karen Carling. The information obtained has been incorporated into the relevant report sections. Additionally, the user provided information, based on the specialized or actual knowledge, regarding environmental liens, activity use, limitations, relationship of the purchase price to the fair market value, and known recognized

environmental conditions. The user also stated the reason for completion of the Phase I ESA (Section 2.1).

**4. Additional Services.** Services beyond those required by ASTM were completed, including:

- A review of radon information published by the EPA;
- A review of floodplain information published by the Federal Emergency Management Agency;
- Evaluation to identify potential wetlands on the Site; and
- An evaluation of the potential of asbestos containing building materials and lead-based paint in the buildings.

**5. Report.** Presentation of the aforementioned services in this report.

**Qualifications.** The environmental site assessment activities described herein were conducted in accordance with generally accepted standards, practices and procedures (expressed or implied) in effect at the time of the project, relative to the All Appropriate Inquiry (as defined under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) 42 USC Section 9601, et. seq.). Numerous individuals were contacted for information about the Site and surrounding areas (Table 1). Relevant information was also obtained from published sources (referenced in Section 6.0).

The project was completed by an Environmental Professional, or conducted under the supervision or responsible charge of an Environmental Professional. At a minimum, the Environmental Professional was involved in planning the Site reconnaissance and interviews, and reviewed and interpreted the information used in developing the conclusions. Pinyon declares that, to the best of our professional knowledge and belief, the Environmental Professionals involved met the definition as defined in §312.1 of 40CFR 312. Other persons involved are qualified individuals, and have the training and experience necessary to complete their assigned tasks. These personnel have the specific qualifications based on education, training and experience to assess a property of the nature, history and setting of the subject property (Site). Pinyon has developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312. Resumes of the personnel involved in this project are included as Appendix A.



## **2.0 PROJECT AND SITE INFORMATION**

---

### **2.1 Project Overview**

*Date of Authorization (Date Signed by Client):* June 11, 2009

*Work Authorized By:* Keith Ickes, Boulder County

*Purpose of Phase I ESA:*

The purpose of the Phase I ESA is to evaluate the potential for soil and/or ground-water contamination at the Site, due to a release of hazardous substances or petroleum products.

*Planned Transaction and Proposed Site Layout:*

The City of Boulder may purchase the property. This Phase I is being completed as part of the due diligence process.

### **2.2 General Site Information and Current Conditions**

*Site Location (Figures 1 and 2):*

Address: 6400 Arapahoe Road

City: Boulder

State: Colorado

County: Boulder

Intersection: Southeast of the intersection of Arapahoe Road and 63<sup>rd</sup> Street

Other Roads: Unnamed road to the south

*Site Information:*

Assessor's Number: 146335200001

Current Site Owner: Colorado Tennis Facilities, LLC  
Size of Site: 435,600 square feet (10 acres)

***Site Reconnaissance Information:***

Date of Site Visit: June 12, 2009  
Personnel: Brian Partington, Pinyon  
Escorts: None  
Methodology: Walked the entire Site and interiors of Site buildings and structures.  
Observed adjacent properties from public right-of-ways.  
Inaccessible Areas: None  
Other Limiting Conditions: None

***Current Site Use and Conditions***

**Buildings/Structures on Site:** The Site office building is a 12,200-square-foot structure built in 1980. In addition to the office, there is a three-sided storage building, guard office, and a warehouse; these buildings were constructed in the early 1980s.

**Parking Area(s):** Paved parking areas are located on the northwestern side of the property.

**Other Use(s):** Storage for unused garbage bins.

***Site Description and Former Uses:***

**Exterior:** The office building is constructed of concrete panels, the warehouse and three-sided storage building are constructed of corrugated steel panels, and the guard office is constructed of wood panels. Miscellaneous office items are stored in the office building. Unused garbage bins are stored on the western side of the Site in and around the warehouse and three-sided storage building. A paved parking area is located to the north of the office building (Figure 2). The majority of the Site is asphalt paved with the exceptions of a gravel-covered area on the northeastern side of the Site, a concrete-covered entrance way,

and concrete covered areas to the north and west of the warehouse building. Additionally, there are vegetated areas along the outside of the Site, and along the entrance way.

**Interior:** The interior of the office building is wood or steel framing covered by gypsum wall board; the floors were either bare concrete, or concrete covered by low-nap carpeting or 12-inch by 12-inch vinyl tiles. Heat is supplied to the office building by a unit located on the roof.

The interiors of the warehouse and three-sided storage building were unfinished, although there were some wooden shelving units and unused garbage bins in both buildings. The floors were concrete and there is no heating or cooling system.

**Current Uses (including unoccupied spaces):** The Site office building is currently used by the owner to hold quarterly meetings. In addition, Western Disposal Services stores unused garbage bins on the western portion of the Site.

**Past Uses if Visible:** None

Photographs of the Site are provided in Appendix B. General Site observations required by the ASTM standard practice are summarized on Table 2. A glossary of terms is included as Appendix C.



## 3.0 SITE DESCRIPTION

---

### 3.1 Physical Setting

*Topography:* The topography of the Site slopes gently to the north.

*Elevation:* 5,250 feet above mean sea level.

*Surficial Soil:*

Surficial soils within the Site area consist of Nunn clay loam (USDA, 2006). Nunn clay loam is characterized as very deep, well drained soil formed in loess and mixed alluvium. Slopes range from one to five percent (USDA, 2006).

*Surficial Geology:*

The surficial geology at the Site is classified as Broadway Alluvium of the Pleistocene age (Colton, 1978). It is characterized by well-stratified and well-sorted sand and gravel deposits. The formation is an average of 35 feet thick (Colton, 1978).

*Regional Geology:*

The bedrock underlying the Site is classified as a transitional member of the Pierre Shale of the Upper Cretaceous (Colton, 1978). This formation is mostly friable sandstone and soft shaley-sandstone, with thin-bedded sandy shale and large calcareous sandstone concretions. This formation is 2,000 feet thick (Colton, 1978).

*Nearest Surface Water Body:*

The closest surface water body to the Site is Sombrero Marsh, which is a non-permanent water-body, located approximately 300 feet southwest of the Site on Boulder Valley School District property. The elevation of this feature is approximately 5,270 feet above mean sea

level. In addition, Hillcrest Reservoir is located approximately 800 feet to the northwest of the Site.

***Ground-Water Conditions:***

Ground-water monitoring wells were previously drilled at the Site (TRC, 2007). Based on the information obtained during that study, ground-water flow beneath the Site is to the north (TRC, 2007), and the depth of ground water is approximately 13 feet (TRC, 2007).

## **3.2 General Site Environmental Conditions**

### **3.2.1 PCBs**

***Fluorescent Light Ballasts***

Approximately 140 interior fluorescent light fixtures were observed in the Site office building. Based on the date of construction of the buildings (1980), it is likely that these fixtures include PCB-containing ballasts.

***Transformers***

Three pole-mounted transformers are located on the western property border adjacent to the office building. Based on visual inspections, the transformers appear to be in good condition. There was no labeling on the transformers; therefore, the owner is unknown. However, they are likely owned by the service provider, Xcel Energy.

### **3.2.2 Heating/Cooling Systems**

There is a heating and air conditioning unit located on the roof of the office building. The other structures on the Site do not have an associated heating or cooling system. The fuel for the heating system is natural gas. Natural gas and electricity is provided by Xcel Energy.

### *3.2.3 Solid Waste Disposal*

There is no solid waste disposal currently associated with the Site.

### *3.2.4 Drains and Sumps*

The Site representative indicated that there may be a floor drain in the bathroom and in the main part of the office building; however, he was not certain. No floor drains or sumps were observed during the Site visit.

### *3.2.5 Fill Material*

No fill material was observed during the Site visit. In addition, the Site owner representative, Greg Bressar, stated that he was not aware of any fill material on the Site.

### *3.2.6 Underground Storage Tanks*

According to Colorado Department of Labor division of Oil and Public Safety (OPS) records, Diamond Lumber Company operated one 1,000-gallon gasoline underground storage tank (UST) and one 750-gallon waste-oil UST at the Site (OPS, 2009). Records indicate the tanks were installed in 1947 and are both closed. The state records indicate that the waste oil tank was closed in 1989 (OPS, 2009); the closure date of the gasoline UST is unknown. The exact location of these tanks is unknown.

According to the previous reports, TRC oversaw the removal of a 4,000-gallon gasoline UST from the Site on February 6, 1990 (TRC, 1990). A Leaking Underground Storage Tank (LUST) incident was reported during the UST removal (further detailed in section 3.2.7).

### *3.2.7 Hazardous Substances or Petroleum Product Use*

During the Site visit, no evidence of hazardous waste was observed. However, the Site is listed in the agency database (Appendix D) as a LUST and UST facility. According to OPS records, a confirmed release was reported in 1990 and clean-up was completed in 1995, when a no-further-action letter was issued.

### *3.2.8 Stained Soil or Pavement*

Staining was observed in the paved parking areas, in amounts typical of parking lot use. The staining is de minimis and its likely source is parked vehicles.

### *3.2.9 Monitoring Wells*

A ground-water monitoring well was observed in the central portion of the Site (Figure 2). This well is not registered with the Colorado Department of Water Resources (CDSS, 2009). However, based on information from the TRC Phase I ESA, this well is likely one of seven ground-water monitoring wells installed by TRC (TRC, 2007). The Site owner representative indicated that the well has not been sampled during the time that Colorado Tennis Facilities, LLC has owned the property.

### *3.2.10 Septic System*

According to the report prepared by TRC in 2007, there is a former septic system associated with the Site. The report indicates that the septic system may have been removed in 2001; however, that has not been confirmed.

### **3.3 Other Environmental Conditions**

In addition to features defined by the ASTM Standard, Pinyon evaluated several non-scope issues, including:

#### **3.3.1 Radon Gas**

Radon-222 (radon) is a naturally-occurring gas which is prevalent in certain areas of the country. The USGS conducted a radon survey in 1993 of Boulder County (USGS, 1993). A total of 54 measurements were obtained in Boulder County. Twenty-two measurements exceeded the USGS action level of 4 picoCuries per liter (pCi/L). The maximum concentration detected was 20.2 pCi/L; the average concentration was 4.2 pCi/L. No basement or subsurface structures where radon typically accumulates exist at the Site.

#### **3.3.2 Evidence of Wetlands**

Wetland-type vegetation or wetland areas were not observed within the Site or adjoining properties. No indication of wetlands were observed on the aerial photographs or topographic maps. Based on observations, a detailed assessment of potential wetlands according to U.S. Army Corps of Engineers evaluation criteria did not appear warranted and was not performed.

#### **3.3.3 Floodplains**

According to the Flood Insurance Rate Map for Denver County, Colorado, the Site is located in Zone X, which is outside the 500-year flood zone (FEMA, 2005).

### 3.3.4 *Asbestos*

Based upon the construction date of the building (1980), asbestos containing building materials (ACBMs) may be present. Asbestos sampling was not included as part of the scope of services for the Phase I ESA.

### 3.3.5 *Lead Based Paint*

Based upon the construction date of the building (1980), lead based paint (LBP) may be present. An LBP survey was not included as part of the scope of services for the Phase I ESA.

## 3.4 **Site History**

### *Resources*

The following resources were used in developing the Site history:

- Aerial photographs from selected years between 1952 and 2005;
- City directories from selected years between 1964 and 2007;
- Historical USGS topographic maps, from selected years between 1902 and 1979;
- Sanborn fire insurance maps (searched but not available);
- Previous Phase I ESAs prepared by TRC in 1999 and 2007;
- Excerpts from a UST Assessment report prepared by TRC in 1990;
- Information from OPS;
- Tax assessor information, provided by Boulder County Online Assessor Information; and

- Interview with the Site owner representative.

A complete list of references is included as Section 6.0.

### *Summary of Site History*

<b>From</b>	<b>To</b>	<b>Site Use</b>
prior to 1902	1979	The Site was vacant land from at least 1902 until 1951 ( <i>topographic maps</i> ). From 1952 to 1979, the Site was used as a drive-in movie theater ( <i>topographic maps, aerial photographs</i> ). Based on OPS information two USTs were installed at the Site in 1947 ( <i>OPS</i> ).
1979	1990	In 1980, the current office building was constructed at the Site. Forest Lumber owned the Site from 1978 to 1983. Diamond Lumber owned and occupied the Site from 1983 until 1990, when the property was sold to BMC Building Materials ( <i>city directories, assessor information, aerial photographs, TRC Phase I</i> ).
1990	2007	The Site was occupied by BMC Building Materials from at least 1992 through 2007. They used the Site for retail and commercial lumber distribution and sales ( <i>city directories, owner representative interview</i> ). TRC oversaw the removal of a 4,000-gallon gasoline UST from the Site ( <i>TRC, 1990</i> ).
2007	Present	The Site is currently owned by Colorado Tennis Facilities, LLC. The Rocky Mountain Tennis Center has used the Site to conduct quarterly meetings. Currently, the Site is also used for storage of unused garbage cans which belong to Western Disposal Services ( <i>Site observations, owner representative interview</i> ).

The ASTM Standard requires that Site use be documented to 1940, or first use, whichever is earlier. For the purpose of the ASTM Standard, use includes commercial use. Pinyon was able to document that the Site was vacant land in 1902; however, it could not be determined from the topographic map if the Site was used for agricultural purposes at that time. Pinyon researched all reasonably attainable data for the Site, and it is unlikely that additional information exists prior to 1902, to the level of detail needed to evaluate use. All standard sources were either used or considered, as discussed in Section 5.4. This constitutes data failure, a form of a data gap.

**QUESTIONS REGARDING PAST ENVIRONMENTAL PRACTICES*****Past Spills/Releases***

Is the Site listed on an agency listing for a reported or suspected release or spill of petroleum products, hazardous wastes, or hazardous substances?

Yes

*Diamond Lumber Company was listed as a LUST facility in February 1990. The incident was closed in 1995.*

***Past Environmental Studies***

Has an environmental assessment previously been conducted at the Site?

Yes

*TRC oversaw the removal of a 4,000-gallon gasoline UST on February 6, 1990. Pinyon reviewed a summary report completed by TRC on April 16, 1990.*

*Additionally, TRC completed a Phase I ESA update on December 2, 1999. The Phase I identified one recognized environmental condition (REC) (former landfill adjacent to the southeast of the Site). The report indicated that ground-water and soil samples collected from the Site and off-site did not exceed state standards for drinking water and did not pose a risk to human health. In addition, the report noted that the landfill property would be sold and restored in the near future (Note: during Pinyon's investigation, agency records did not identify a historic landfill the vicinity of the Site. In addition, the Phase I ESA conducted by TRC in 2007 (below) did not identify the landfill as a REC).*

*TRC completed a Phase I ESA of the Site on October 5, 2007. The Phase I identified three RECs (Historic LUST, off-Site asphalt pile (Note: this pile was not present at the time of the Site visit Pinyon conducted on June 12, 2009), and a possible on-Site unused septic system). The report also documented that TRC had installed seven ground-water monitoring wells associated with a LUST incident in 1990. One monitoring well currently remains at the Site.*

***Environmental Liens/Actions***

Are there any pending, threatened or past litigation relevant to environmental issues at the Site? No

Are there any pending, threatened or past administrative proceedings relevant to environmental issues at the Site? No

Are there any notices from any governmental entity regarding any possible violation of environmental laws at the Site? No

**3.5 User Supplied Information**

The user of this report, City of Boulder, supplied information to Pinyon regarding the Site and the planned transaction (Appendix E). The user stated that they are completing this Phase I for due diligence. They had no knowledge of any past environmental studies of the Site. They reported no specialized knowledge or experience, and reported no spills or releases, environmental liens or activity and use limitations, or other actions. Additionally, they reported that there was no indication that an environmental issue had affected the purchase price, as compared to the fair market value of the property.



## **4.0 ADJACENT AND NEARBY PROPERTIES**

---

### **4.1 General Off-Site Description**

*Zoning:* Commercial

*Adjacent Site Use:*

*North* Storage facilities, commercial office building, auto repair facility

*East* Boulder Valley School District Bus Garage

*South* Vacant land, portions of Boulder Valley School District Property, former landfill

*West* Self-storage facility

*General Regional Property Use:*

The properties in the vicinity of the Site are mainly commercial.

### **4.2 Sensitive Environmental Off-Site Uses (Current and Historical)**

During the off-Site reconnaissance and review of the Satisfi database (see Tables 3 and 4, Appendix D), regulatory agency files and historical information, or a combination thereof, one establishment with the potential to impact the Site was identified. This property is discussed in further detail below.

---

**ADJACENT AND NEARBY PROPERTIES**

<b>From</b>	<b>To</b>	<b>Address/Distance</b>	<b>Use</b>
early 1960s	Present	6500 Arapahoe Road, Adjacent	Bus Garage

*Boulder Valley School District.* According the agency database (Appendix D), this facility is listed as an active UST site and a historic LUST. Boulder Valley School District has operated a bus garage at this facility since the early 1960s. The LUST was reported in February of 1990; closure was issued in 1998. OPS reports that there are two active USTs at this facility, one 12,000-gallon gasoline UST and one 12,000-gallon diesel UST. These USTs and associated dispensers are located adjacent to the southeastern property boundary of the Site and are considered up-gradient of the Site in reference to inferred ground-water flow direction.

## 5.0 CONCLUSIONS

---

### 5.1 Findings

Based on the information obtained and reviewed, the following were identified:

#### RECs

Yes

According to OPS records, one 1,000-gallon gasoline UST and one 750-gallon waste-oil UST were installed at the Site in 1947. According to OPS records, the waste oil UST was closed in 1989; the closure date of the gasoline UST is unknown. In addition, it is unknown if the tanks were removed from the Site or if they were closed in place.

There are two active USTs located to the south of the Site. The location of these tanks is considered up-gradient in reference to inferred ground-water flow direction. If a release were to occur, the Site may be impacted.

#### Historical RECs

Yes

Historic Site operations included the use of USTs. One 4,000-gallon UST was removed from the Site in 1990 and reported as a LUST on February 6, 1990. An NFA letter was issued on January 6, 1995.

#### De Minimis Conditions

Yes

Staining, likely from parked vehicles, was observed on the asphalt paved parking area on the northwestern side of the Site.

## 5.2 Opinion

The classification of items as non-RECs was made using the definition of a REC. There is an indication that USTs may be present at the Site. In addition, off-site use and handling of petroleum products could impact the Site.

## 5.3 Additional Investigations

At this time, Pinyon recommends a review of the OPS records to obtain further information regarding the USTs and LUST incident on the Site. Based on the findings from the file review, further investigation may be warranted.

In addition, the Site may be impacted by off-Site uses, if this is of concern, Pinyon recommends a subsurface investigation.

## 5.4 Data Gaps

Three data gaps were identified:

1. The ASTM Standard requires that Site use be documented to 1940, or first use, whichever is earlier. For the purpose of the ASTM Standard, use includes commercial use. Pinyon has documented that the Site was vacant land in 1902, but could not determine if it was used for agriculture at that time. Not all of the standard historical resources were used. In Pinyon's experience, the following are not reasonably attainable, or would not be available, for this Site, and were therefore not consulted:
  - Fire Insurance maps - were not reasonably available for this Site;
  - Building department records were not reviewed, but would not be available for the time period in question; and
  - Recorded land title records - would not provide information useful in determining the Site use.

Pinyon concludes data failure has occurred, a form of data gap. This is not considered a significant data gap.

2. The request from the Rocky Mountain Fire Department has not been received. Any information received which may change the outcome of the conclusions of this report will be forwarded to the ESA user. This data gap is not considered significant.
3. OPS records indicate two USTs were installed at the Site in 1947. Based on historical information obtained by Pinyon, the Site was vacant land or agricultural land during that time. This data gap is considered significant. Pinyon recommends a file review.

## **5.5 Conclusions**

We have performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527 of 6400 Arapahoe Road in Boulder, Colorado, the property (Site). Any exceptions to, or deletions from, this practice are described in Section 7.1 of this report. This assessment has revealed evidence of recognized environmental conditions in connection with this property.

## **5.6 Conclusions and Recommendations Regarding Additional Services**

Due to the construction date of the buildings, asbestos and lead based paint surveys should be completed prior to remodeling or demolition activities. This is required by state and federal law.

No basements are located at the Site; however, if a basement is planned in future construction projects, further random investigation and mitigation may be warranted.

The Site is not located within a floodplain, and wetland type vegetation was not observed at the Site.



## 6.0 REFERENCES

---

### *Agency Contacts*

Refer to Table 1

### *Reports and Publications*

OPS, 2009. [http://costis.cdle.state.co.us/facility.asp?h\\_id=4732](http://costis.cdle.state.co.us/facility.asp?h_id=4732). Colorado Department of Labor and Employment Division of Oil and Public Safety, web-site accessed June 16, 2009.

TRC, 1990. Underground Storage Tank Assessment, Diamond Lumber, Inc, 6400 Arapahoe Avenue, Boulder, Colorado. TRC, Englewood, Colorado, April 6, 1990.

TRC, 1999. Phase I Environmental Site Assessment Update, BMC West, 6400 Arapahoe Avenue, Boulder, Colorado. TRC, Englewood, Colorado, December 2, 1999.

TRC, 2007. Phase I Environmental Site Assessment, BMC West Lumber Yard, 6400 Arapahoe Road, Boulder, Colorado. TRC, Las Vegas, Nevada, October 2007.

USDA, 2006. "Soil Survey of Boulder County Area, Colorado," United States Department of Agriculture, Soil Conservation Service, 2006.

USGS, 1993. "Geologic Radon Potential of EPA Region 8, Open File Report 93-292-H," United States Geological Survey, 1993.

### *Maps*

CDSS, 2009. <http://cdss.state.co.us>, Decision Support System. 2009.

Colton, 1978, Geologic map of the Boulder-Fort Collins-Greeley area, Front Range Urban Corridor, Colorado. U.S. Geological Survey, Miscellaneous Investigations Series Map I-855-G, 1978.

FEMA, 2005. "Flood Hazard Map, <http://msc.fema.gov/webapp/wcs>," Federal Emergency Management Agency, 2005.

USGS, 1902 "30-Minute Topographic Map, Niwot Quadrangle, Colorado," United States Geological Survey, 1902.

USGS, 1948. "7.5-Minute Topographic Map, Niwot Quadrangle, Colorado," United States Geological Survey, 1948.

USGS, 1950. "7.5-Minute Topographic Map, Niwot Quadrangle, Colorado," United States Geological Survey, 1948, photorevised 1950.

USGS, 1967. "7.5-Minute Topographic Map, Niwot Quadrangle, Colorado," United States Geological Survey, 1967.

USGS, 1971. "7.5-Minute Topographic Map, Niwot Quadrangle, Colorado," United States Geological Survey, 1967, photorevised 1971.

USGS, 1979. "7.5-Minute Topographic Map, Niwot Quadrangle, Colorado," United States Geological Survey, 1967, photorevised 1979.

### ***City Directories***

Polk, 1964. Polk City Directories - Boulder, InfoUSA, Omaha, Nebraska, 1964.

Polk, 1972. Polk City Directories - Boulder, InfoUSA, Omaha, Nebraska, 1972.

Polk, 1977. Polk City Directories - Boulder, InfoUSA, Omaha, Nebraska, 1977.

Polk, 1981. Polk City Directories - Boulder, InfoUSA, Omaha, Nebraska, 1981.

Polk, 1987. Polk City Directories - Boulder, InfoUSA, Omaha, Nebraska, 1987.

Polk, 1992. Polk City Directories - Boulder, InfoUSA, Omaha, Nebraska, 1992.

Cole, 1997. Cole's Cross-Reference Directory - Boulder, Cole Publications, Englewood, Colorado, 1997.

Cole, 2002. Cole's Cross-Reference Directory - Boulder, Cole Publications, Englewood, Colorado, 2002.

Cole, 2007. Cole's Cross-Reference Directory - Boulder, Cole Publications, Englewood, Colorado, 2007.

### ***Aerial Photographs***

Pinyon reviewed the following photographs at the offices of Colorado Aerial Photographs in Denver, Colorado.

January 15, 1952, Frame R037-142&143, Scale: 1" = 1,395';

August 18, 1960, Frame 110-30&29, Scale: 1" = 1,427';

April 29, 1968, Frame 130-39&38, Scale: No Scale;

May 12, 1979, Frame 74&75, Scale: 1" = 2,071';

November 18, 1984, Frame 029&030, Scale: 1" = 3,982';

June 20, 1991, Frame 100&99, Scale: 1" = 1,927';

May 12, 2000, Frame 124&123, Scale: 1" = 1,760'; and

May 23, 2005, Frame 112&113, Scale: 1" = 1,850'.

### ***Databases***

Satisfi Environmental Information. "Satisfi Environmental Information database search, 6400 Arapahoe Road, Boulder, Colorado 80303, dated June 15, 2009 (Appendix D)."



## 7.0 LIMITATIONS

---

This report was prepared by Pinyon Environmental Engineering Resources, Inc., at the request of and for the sole benefit of City of Boulder, or any entity controlling, controlled by, or under common control with City of Boulder. This report addresses certain physical characteristics of the Site with regards to the release or presence of hazardous materials. It is not intended to warrant or otherwise imply that the Site is or is not free from conditions, materials, or substances which could adversely impact the environment or pose a threat to public health and safety. The material in this report reflects the best judgement of Pinyon in light of the information that was readily available at the time of preparation.

This report is for the exclusive and present use of City of Boulder, or any entity controlling, controlled by, or under common control with City of Boulder, to assist with an environmental evaluation of the Site. In the event of any reuse or publication of any portion of this report, Pinyon Environmental Engineering Resources, Inc., shall not be liable for any damages arising out of such reuse or publication. Any use a third party makes of this report, or any reliance on or decisions to be made on it, are the responsibility of such third party. Pinyon accepts no responsibility for damages, if any, suffered by any third party as a result of decisions made or actions taken based on this report.

The principles outlined in Section 4.5 of the ASTM Standard are an integral part of this practice and are intended to be referred to in resolving any ambiguity or exercising such discretion as is accorded the user or environmental professional in performing an environmental site assessment or in judging whether a user or environmental professional has conducted appropriate inquiry or has otherwise conducted an adequate environmental site assessment.

Under ASTM Standard, this report is presumed to be valid for 180 days from the date of completion. For more information on the continued viability of this document, refer to the ASTM Standard, Section 4.6.

This report does not address additional requirements that must be met in order to qualify for the landowner liability protections (LLPs) (for example, the continuing obligation not to impede the integrity and effectiveness of activity and use limitations (AULs), or the duty to take reasonable steps to prevent releases, or the duty to comply with legally required release reporting obligations). Additionally, the report user has responsibilities with respect to All Appropriate Inquiry and LLPs.

## **7.1 Deletions and Deviations from Standard**

There were no deletions or deviations from the Standard. Any data failures encountered are discussed in Section 3.4; any data gaps are outlined in Section 5.4.

## **7.2 Additions to Standard**

Additional services were added to the ASTM Standard, including:

- An evaluation of the likely presence of wetlands;
- An evaluation of whether or not the Site is located within a floodplain,
- An assessment of the potential for asbestos containing building materials to be present in the building;
- As assessment of the potential for lead-based paint to be present in the building; and
- An evaluation, using published data, of the likelihood for radon gas to be a health concern at the Site.

**Table 1  
Summary of Persons and Agencies Contacted**

Agency/Affiliation	Contact Name/ Website	Phone Number
<b>Municipal Water Supply Provider</b>		
City of Boulder	<a href="http://boulderwater.net">http://boulderwater.net</a>	303-413-7100
<b>Electrical and Natural Gas Provider</b>		
Xcel Energy	<a href="http://www.xcelenergy.com">www.xcelenergy.com</a>	1.800.481.4700
<b>Agencies</b>		
Rocky Mountain Fire Authority	Michael Tombolato, Chief	303-494-3735
Colorado Department of Public Health and Environment	Diana Huber	303-692-3331
Boulder County Assessor	<a href="http://www.bouldercounty.org/assessor/">http://www.bouldercounty.org/assessor/</a>	--
Colorado Oil and Gas Conservation Commission	<a href="http://www.oil-gas.state.co.us">www.oil-gas.state.co.us</a>	303-894-2100
Colorado Division of Water Resources	<a href="http://www.water.state.co.us">http://www.water.state.co.us</a>	--
<b>Interviews/Affiliation</b>		
Boulder County/User	Keith Ickes	303-441-4549
Colorado Tennis Facilities, LLC/Principal General Manager	Greg Beserra	303-544-0514

**Table 2  
Summary of General Site Observations**

<b>Issue</b>	<b>ASTM Section</b>	<b>Observed/ Present (Y/N)?</b>	<b>Section for Additional Information</b>
Potable Water Supply	9.4.1.9	Y	Table 1
Municipal Sewer System	9.4.1.10	Y	Table 1
Equipment Containing PCBs	9.4.2.10	Y	3.2.1
Heating/Cooling Equipment	9.4.3.1	Y	3.2.2
Improper Waste/Debris Disposal/Fill	9.4.4.4	N	3.2.3/3.2.5
Hazardous Substance/Petroleum Use	9.4.2.3	N	3.2.6/3.2.7
Storage Tanks (UST/AST)	9.4.2.4	N	3.2.6
Odors	9.4.2.5	N	--
Pools of Liquids	9.4.2.6	N	--
Drums	9.4.2.7	N	--
Hazardous Substance/Petroleum Containers	9.4.2.8	N	3.2.6/3.2.7
Unidentified Substance Containers	9.4.2.9	N	--
Stains or Corrosion	9.4.3.2	Y	3.2.8
Drains/Sumps	9.4.3.3	N	--
Pits, Ponds or Lagoons	9.4.4.1	N	--
Stained Soil, Pavement, Floors	9.4.4.2	Y	3.2.8
Stressed Vegetation	9.4.4.3	N	--
Wastewater Treatment/Storage	9.4.4.5	N	--
Storm Water Storage Area	9.4.4.5	N	--
Discharge to drain, ditch, underground, stream	9.4.4.5	N	--
Wells-Monitoring	9.4.4.6	Y	3.2.9
Wells-Dry Wells, Water Supply, Abandoned	9.4.4.6	N	--
Septic System	9.4.4.7	Y	3.2.10

Notes:  
Y - Yes  
N - No

**Table 3  
Summary of Database Search**

Type of Database <sup>1</sup>	Number of Listings in Specified Search Radius (mile)		
	< ¼	¼ to ½	½ to 1
National Priority List (NPL)	0	0	0
RCRA Corrective Action	0	0	0
RCRA Permitted Treatment, Storage, and Disposal	0	0	
RCRA NLR	8	3	
National CERCLIS	0	0	
National CERCLIS-NFRAP	1	0	
State Spills 90	0	7	
State Priority List (SPL)	0	0	
Solid Waste Landfills	0	1	
Leaking Underground Storage Tanks (LUST)	3	4	
Registered UST/AST	5	1	
Federal Institutional/Engineering Control (AUL)	0	0	
Federal ERNS	0		
RCRA Generators	7		
Other Hazardous Waste	0		

*Notes:*

*1 See Appendix D for complete report and maps, including a description of each database reviewed.*

**Table 4  
Details of Identified Agency Listings**

Site Number (Appendix D) <sup>1</sup>	Facility Name	Facility Address	Distance/Direction from Site	Database	Status	Potential to Impact Site? <sup>2</sup>
1	Jones Optical Company	6360 Arapahoe Road	~100 Northwest	RCRAGN, RCRANLR	Active, Inactive	No
2	Leggett Inlet Canal	Near 63Rd And Arapahoe St	~100 Northwest	NFRAP	Inactive	No
3	Diamond Lumber Co	6400 Arapahoe Ave	SITE	LUST, UST, UST	Inactive	Yes
4	The Cleaners In Boulder Inc	6367 Arapahoe Ave	~100 Northwest	RCRAGN	Active	No
5	Sinclair Station	6301 Arapahoe Road	~200 Northwest	LUST, UST	Inactive, Active	No
6	Boulder County Sheriff	63 And Arapahoe Road	~300 Northwest	RCRAGN, RCRANLR	Active, Inactive	No
7	Scandinavian Automotive Inc	6519 Arapahoe 5 Road	~400 Northeast	RCRAGN, UST, RCRANLR, RCRAGN	Active, Active, Inactive, Active	No
8	Boulder Valley School District Educ	6500 East Arapahoe	~400 Northeast	UST, LUST	Active, Inactive	Yes

**TABLE 4 (continued)**  
**Details of Identified Agency Listing**

Site Number (Appendix D) <sup>1</sup>	Facility Name	Facility Address	Distance/Direction from Site	Database	Status	Potential to Impact Site? <sup>2</sup>
9	Jacobsen Brothers Painting Inc	Arapahoe Road, 3	~500 Southwest	RCRAGN, RCRANLR, RCRANLR, RCRAGN	Inactive, Inactive, Inactive, Active	No
10	Hauser Chemical Research	1634 North 63Rd St	~500 Northwest	RCRANLR, RCRANLR	Inactive	No
11	Tecnetics Inc	6287 Arapahoe Ave	~600 Northwest	RCRANLR	Inactive	No
12	Vocational Education Center	6600 East Arapahoe St	~1000 Northeast	RCRANLR	Inactive	No
13	Xcel Energy	1800 North 63Rd. St	~1100 Northwest	SPILLS, SPILLS, UST, SPILLS, SPILLS, SPILLS, SPILLS, ERNS, SPILLS	Inactive, Inactive, Active, Inactive, e, Inactive, Active, Inactive, Inactive, Inactive	No
14	Elastomer Technology Inc	6681 East Arapahoe Ave	~1300 Northeast	RCRANLR	Inactive	No
15	White Wave	6123 Arapahow Ave	~1300 Northwest	RCRANLR	Inactive	No

**TABLE 4 (continued)**  
**Details of Identified Agency Listing**

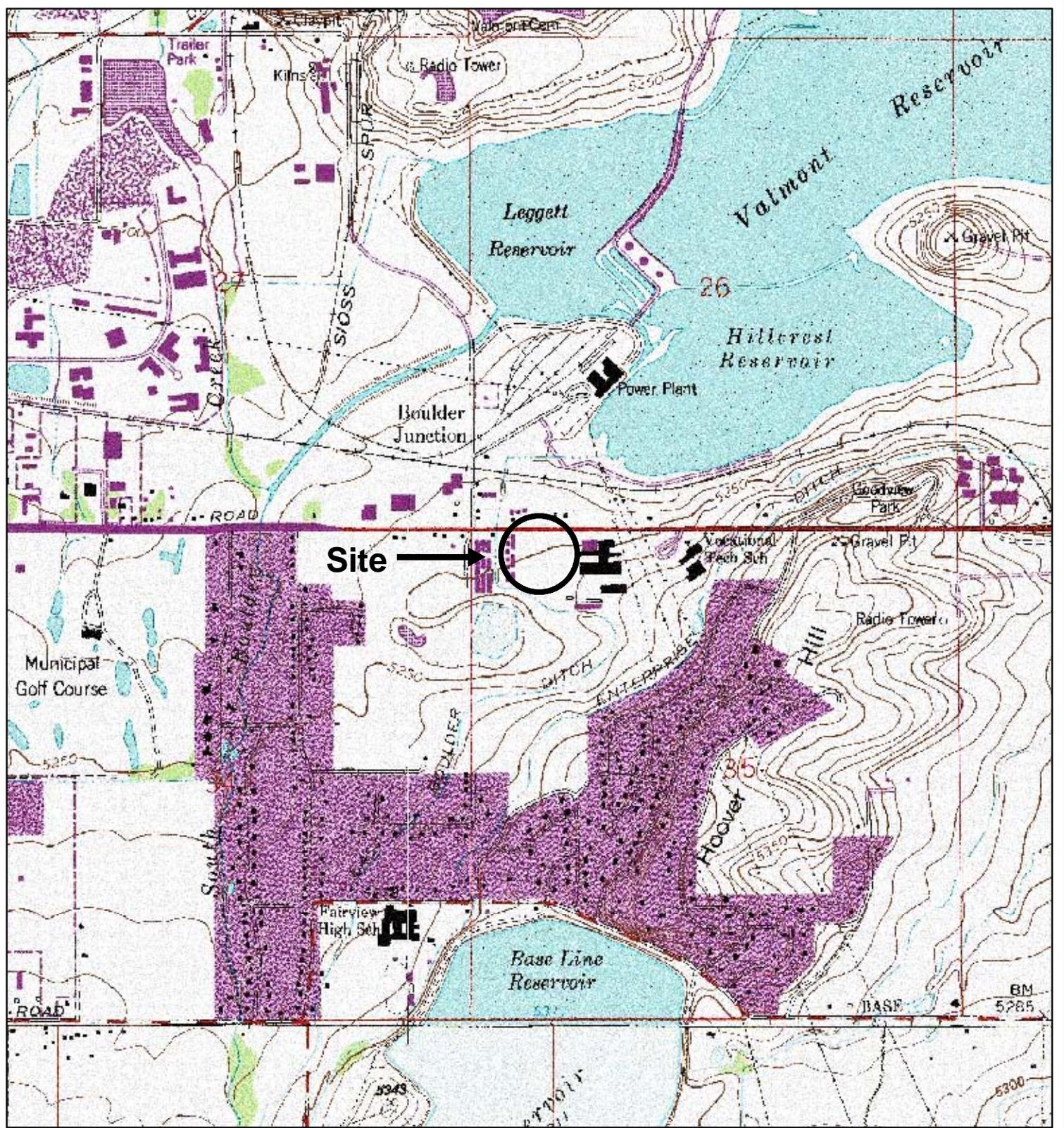
Site Number (Appendix D) <sup>1</sup>	Facility Name	Facility Address	Distance/Direction from Site	Database	Status	Potential to Impact Site? <sup>2</sup>
16	Valmont Steam Plant	1800 North 63Rd St	~2000 Northeast	LUST, SWL, LUST, LUST	Inactive, Active, Inactive, Inactive	No
17	Fisher Chevrolet	6025 Arapahoe Road	~2100 Southwest	LUST	Inactive	No

*Notes:*

*1 One unmappable facility was identified.*

*2 Potential assessed is based on depth and direction of ground-water flow, and distance from Site.*

*See Appendix C for definitions of acronyms, and Appendix D for Facility Number.*



**Legend**

USGS 7.5' Topographic Map  
Niwt, Colorado 1979



**Pinyon** Environmental Engineering Resources, Inc.

**SITE LOCATION**  
Vacant Commercial Property  
6400 Arapahoe Road  
Boulder, Colorado

Site Location: NW1/4, NW1/4, Section 35, Township 1N, Range 70W, 6th Principal Meridian

Drawn By: MJS

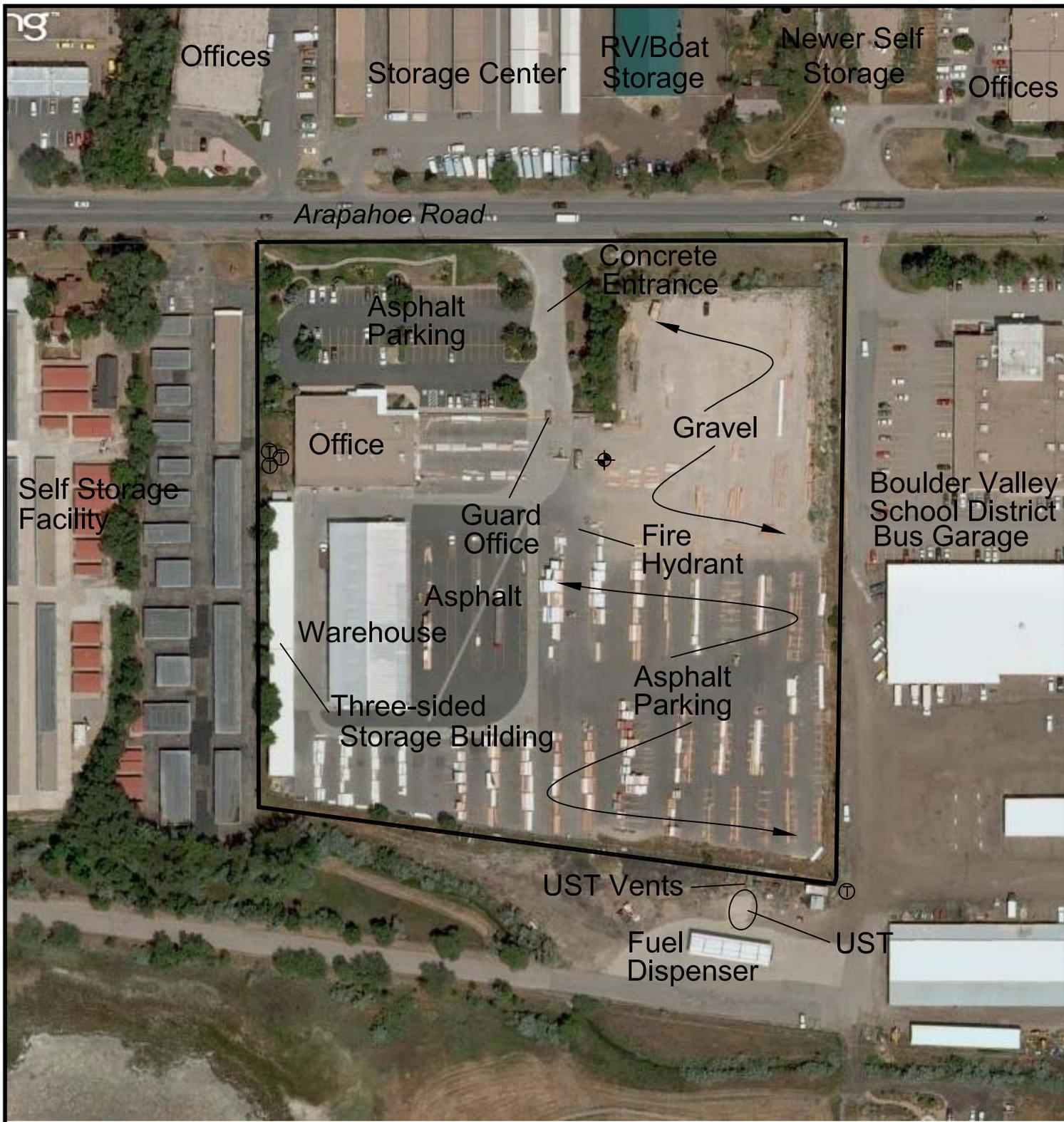
Figure 1

Projects\10913301 10 Acres Former Lumber Yard\Fig 1 Arap.mxd

Job No. 1/09-133-01.3300

Reviewed By: KJC

Revision 0



<p><b>LEGEND</b></p> <p>↑ N</p> <p>Ⓢ Pole-Mounted Transformer</p> <p>⊕ Monitoring Well</p> <p>— Site Boundary</p> <p>0 150 Approximate Scale in Feet</p> <p>*Piles of lumber storage in aerial photo are no longer on the site.</p>	<p> <b>PINYON</b> Environmental Engineering Resources, Inc.</p>	
<p align="center"><b>SITE PLAN</b> Vacant Commercial Property 6400 Arapahoe Road Boulder, Colorado</p>		
<p>Site Location: NW1/4, NW1/4, Section 35, Township 1N, Range 70W, 6th Principal Meridian</p>	<p>Drawn By: MJS</p>	<p>Figure 2</p>
<p>Projects\10913301 10 Acres Former Lumber Yard\Fig 1 Arap.dwg</p>	<p>Job No. 1/09-133-01.3300</p>	<p>Reviewed By: KJC      Revision 0</p>

**DRAFT June 9, 2009 Study Session Summary on  
Process for Acquiring a Site for the Eco-Cycle office, Center for Hard-to-Recycle  
Materials (CHaRM) and ReSource**

**PRESENT:**

**City Council:** Mayor Matthew Appelbaum, Deputy Mayor Crystal Gray, City Council members Suzy Ageton, Macon Cowles, Angelique Espinoza, Lisa Morzel, Susan Osborne, Ken Wilson.

**Staff:** Jane Brautigam, City Manager; Ruth McHeyser, Community Planning Executive Director; Elizabeth Vasatka, Environmental Coordinator.

**PURPOSE:**

The purpose of this portion of the study session was the following:

- To provide City Council with information on the status and process for the possible purchase of a site for relocating the Eco-Cycle office, its Center for Hard-to-Recycle Materials (CHaRM) and the Center for Resource Conservation's (CRC) ReSource used building materials sales yard, and
- To provide an opportunity for council to discuss principles for developing a cost-sharing agreement with Boulder County for the purchase.

**PRESENTATION:**

The staff presentation included the following:

- An update on the two sites under consideration for purchase: the four-acre brickyard site available through the Western Disposal annexation agreement and 6400 Arapahoe Ave;
- An overview of the various processes that involved in securing and funding a site;
- Proposed principles for inclusion in a draft cost-sharing agreement with the County;
- A summary of information items that will be included in July 7 council agenda packet and key next steps for the July 7 and July 21 council meetings.

After the presentation council asked clarifying questions, with the following responses from staff:

- A contained, or in-vessel, commercial composting program could fit on the 6400 Arapahoe site; however, the extent of the program would depend on a number of factors.
- Staff is working closely with Eco-Cycle and the CRC to ensure their needs could be met on 6400 Arapahoe.
- Information on the diversion rates of other Boulder County communities in comparison to Boulder's will be provided in the July 7 packet (or sooner if possible). One key aspect to keep in mind is that the waste diversion data collected by the other communities does not include the commercial sector.

## **QUESTIONS FOR COUNCIL:**

Staff provided the following questions for council discussion:

1. Does council have questions or comments on the process and schedule for acquiring a site for the Eco-Cycle office and CHaRM and ReSource facilities?
2. Does council have questions or comments on the proposed principles for developing a cost-sharing agreement with the County?
3. Does council have additional information it would like included in the July 7 agenda memo?

### **1: Process and Schedule:**

Council members provided the following comments on the process and schedule for site acquisition:

- A. Does the anticipated GI zoning for 6400 Arapahoe allow the proposed uses, including the anticipated retail sales?
- B. Consider keeping the current BVCP Performance Industrial land use designation and making the site a gateway to the city that speaks of our values and shows who we are (i.e., signal that “you are now entering a zero waste community.” )
- C. CHaRM and ReSource already serve a diverse population by helping people keep down their trash costs and offering inexpensive used building materials.
- D. It’s important that the phase 1 environmental inspection be thorough and done well in advance of the July 7 council meeting. Involve environmental attorney Betsy Temkin, of Temkin Wielga Hardt & Longenecker, the firm working for the city on Valmont Butte,

### **2: Cost-sharing agreement**

Council members provided the following comments on the cost-sharing agreement principles:

- A. Evaluate opportunities to generate income on the portion of 6400 Arapahoe Road that wouldn’t be used by Eco-Cycle and the CRC, to help offset the city’s costs.
- B. Seek ways to make the cost-sharing fairer to city residents. For example, could Eco-Cycle charge other communities more for hauling to help pay for these facilities?
- C. Seek a solid commitment from the County to equitably share among all users the purchase and operating costs for ReSource and CHaRM, over a number of years if necessary, since right now the city is paying 90 percent of the cost but city residents represent 50 percent of the users.
- D. Even though council voted for the city contribution limit shown in Scenario 1D at the May 19 meeting, we should consider asking the nonprofits to participate financially, possibly with the 20-year payback option shown in the other scenarios.
- E. Any ownership arrangement that works well logistically is acceptable, but the city should have approval/ veto power on the future uses and costs for the site.

Council members provided the following additional comments on potential cost-sharing with the County on this property:

- F. The Resource Conservation Advisory Board will meet June 10 to discuss this project. At the meeting other communities may express an interest in contributing

- to this or future waste reduction projects and may have their own ideas for additional uses at 6400 Arapahoe Ave.
- G. Other Boulder County communities have significantly ramped up their recycling efforts and may be willing partners with the city in future waste reduction activities.
  - H. The cost of this project should be weighed against the high cost of cleaning up landfills. The Marshall Landfill clean-up costs total \$15 million to date.
  - I. When considering the equity of the proposed cost-sharing with the County, we should remember that the County put \$1.5 million into Special Transit, helped Special Transit get a \$5 million grant, and identified 6400 Arapahoe for the city as an alternative to the four-acre brickyard parcel, which offers no growth potential for waste reduction activities. In that light, the proposed cost-sharing may be considered a fair split.

### **3. Additional Information Needed July 7:**

Council members provided the following comments on additional information for the July 7 agenda memo:

- A. What are the program trade-offs if the city contributes up to \$5.7 million dollars to relocate Eco-Cycle offices, CHaRM and ReSource?
- B. Provide a comprehensive cost estimates for annexation and other costs associated with acquiring a site and relocating the nonprofit facilities, as well as program trade-off information.
- C. Include information that was provided in the previous memo on the financial support the city currently gives Eco-Cycle and the CRC, as well as the support they receive from other communities.
- D. Include a table comparing the two alternative sites in terms of costs and uses, including interim uses.
- E. Provide ideas for encouraging or facilitating more recycling by multi-family unit residents. Why are rental units not recycling at higher rates?
- F. Provide information on the costs and benefits of single-hauler contracting. How does Boulder residents' / business trash rates compare to surrounding communities that have single-hauler contracts?
- G. What are the waste diversion rates in surrounding communities? Compare the diversion rates to the communities' investments. Since these communities do not have a trash tax to pay for the kind of programs Boulder has, one would expect their diversion rates to be lower. Is that the case?
- H. What will be the social benefits of this project? Besides green jobs, this could include internships or outreach programs, perhaps in conjunction with the school district and Arapahoe Ridge.

Because the July 7 meeting will entail critical decisions prior to the July 10 deadline to terminate the 6400 purchase contract, if possible , staff should forward responses to council questions from the May 19 meeting and this study session before the July 7 meeting packet.

# RESEARCH REPORT: BOULDER SINGLE HAULER ISSUES

City of Boulder  
Office of Environmental Affairs

GRACESTONE, INC.



LBA ASSOCIATES

June 2009

---

## EXECUTIVE SUMMARY

### INTRODUCTION

The City of Boulder’s Office of Environmental Affairs retained Gracestone, Inc. to conduct research into residential single-hauler issues related to the collection of waste, recyclables, and organics, in Spring 2009. The research goal was to gather information to better understand what Boulder residents get for the rates & taxes paid for waste, recycle, and/or organics services, and to be able to compare that to what residents in other communities in Boulder County are receiving, to inform single-hauler discussions.

**KEY FINDINGS** in the four research areas were as follows.

#### 1 – Hauling services’ structure - contracts, services, taxes, etc.

Discarded materials (waste, recyclables, and organics) are hauled under a variety of program types locally. The four major ways this can occur, and the percent of households in the County being served by each operating mechanism, are summarized in the following table:

Hauling Structure	Details	% Boulder & Broomfield County Households
Contract	Local government contracts with hauler for specified collection services for fixed time period; billing can be done by hauler or local government; carts may be provided by hauler or city	10.1%
Franchise	Same as above with jurisdiction divided into sub-areas or districts and contracts awarded to haulers by district	0.3%
Municipal Collection	Local government owns & operates equipment to provide collection (and other services) and do billing	21.1%
Open Subscription	Residents directly select hauler & services they wish to receive; hauler bills households directly	68.5%

**Tax.** Of the towns studied (Boulder county plus Broomfield and Fort Collins), only Boulder levies a trash tax on residential waste collection services; these fees are used by the City for waste diversion efforts. Longmont charges its residents a “Waste Management Fee” (\$2.96/month) to fund its various service offerings beyond curbside collection.

**Diversion beyond the curb.** There are many resources available in Boulder County to divert materials beyond that which is taken at the curb. These are paid for through a combination of town general funds, county budget, donations of land and access, nonprofit resources, and in some cases, visible bills or surcharges. Historically, drop-off centers receive materials not taken at the curb for diversion and are an important part of developing new end markets and expanding diversion practices in the community.

**Switch to contract from open subscription.** Three jurisdictions in the county have switched from open subscription to contracted services recently. The towns of Louisville and Lafayette moved to contracted residential service, for reasons in the order of stated importance:

- to make services more consistent town-wide
- to make recycling more accessible
- to obtain collection and diversion data
- to reduce wear and tear on city streets

Superior franchised service for three of its neighborhoods that are not set up as HOAs, simply to obtain lower rates. All three towns reported that the transition to contracting required the

town to use a fair amount of resources, including hosting public forums and discussions, additional staff time, billing interface with hauler's system, and time for elected officials to address matters. Satisfaction is reported to be good.

## **2 – Comparing curbside rates in Boulder to other jurisdictions**

To fairly compare rates, a 3-month service scenario was assumed for a household receiving curbside collection of weekly 32-gallon trash, every other week 64-gallon recycle and 32-gallon organics, and 1 extra 32-gallon bag of trash (overflow). Rates ranged as follows:

- Boulder – from \$49.00 to \$69.00 (across 3 haulers; without trash tax)
- Louisville – \$44.10
- Erie – from \$42.00 to \$58.43 (smallest trash is 64-gallon; 2 haulers; no recycle or organics)
- Lafayette – \$21.36 (organics collection not offered)
- Longmont – \$33.81 (smallest trash is 48-gallon; no organics; won't pick up overflow)
- Superior – \$53.85 (smallest trash is 96-gallon; no organics; won't pick up overflow)
- Unincorporated Boulder County – from \$55.00 to \$61.00 (3 haulers, 2 areas – 2 no organics)
- Denver Metro area – from \$61.50 to \$78.30 (4 haulers; no organics; 96-gallon trash cart only)

Unlike other residential utilities like water or electricity, it is extremely difficult to get an 'apples-to-apples' comparison, even in Boulder County, of curbside collection service rates. Because residents in each town both expect and receive vastly different levels of service, hauling services have evolved in response to market demand and resources available.

## **3 – Broomfield and Fort Collins assessment of move to contract from open subscription**

Broomfield and Fort Collins are both 'open subscription' communities, like Boulder. Over the last few years, both cities have evaluated the advantages and disadvantages of changing the open subscription hauling system in their communities. In both cities, residents are fiercely loyal to their haulers, resulting in little political will to make the switch, though Fort Collins City Council will vote on doing a pilot contract later in 2009. Evidence of adverse impacts on street wear and tear was found to be different in each city. Research and public forums on this subject resulted in the conclusion that a move from a well-liked open subscription scenario to a franchise or contract should not be taken lightly. Significant time for meeting state requirements, public/stakeholder input and comment must be planned for.

## **4 – Analysis of pros and cons of switch to single hauler in Boulder**

A switch from open subscription to a contract scenario in Boulder would have wide-ranging impacts on a number of key stakeholders. Defining policy goals to be reached by a switch will be a necessary first step. The research did not address benefits and liabilities in the context of specific policy goals, as none have been stated to date for the single-hauler issue. This study found the following pros and cons, as well as some not-inconsiderable unknowns:

### ***Pros***

- More diversion may be available
- Greater city control over diversion and related data
- Reduced wear and tear on streets
- Secure contract for hauler that wins

### ***Cons***

- Customized services to residents may be reduced or eliminated
- Residents will not be able to select a preferred hauler
- Contract may preclude adding diversion quickly

- Managing RFP development and issuance can be time-consuming & complex
- Additional staff may be needed to manage contract and perhaps billing, customer service, education, etc. (depends on contract)
- Hauler that loses could go out of business; could be net job loss to Boulder

*Unknowns*

- Rates may or may not be reduced, especially if trash tax goes up
- Time and cost of getting public input
- What the public input wants
- Hauler could take move to contract to a public vote

Further, non-economic aspects of the community's current diversion infrastructure will need to be considered in a contract scenario. Key players in the community have invested in diversion infrastructure and thus incurred 'learning curve' costs which are difficult to quantify in a competitive bid that sought to simply obtain lowest costs for residents.

## RESEARCH REPORT

## RESEARCH AREA 1 – Profile Communities’ Waste/Recycle/Organics Collection Services

Boulder County and adjacent counties have a full spectrum of ways to provide residential waste management services. Table 1 shows which waste management services are available at the curb and how the service offering is structured. (See Appendix 1, p. 11 for definitions).

Table 1 –Residential Curbside Hauling Services Structure in Boulder County Region

Town	Municipal Collection	Open Subscription	Franchise	Contract	Population	# HHs covered
Broomfield		T, some R <sup>[1]</sup>			55,000	20,000
Boulder		T, R, most O <sup>[1]</sup>			103,000	44,900
Erie		T, R <sup>[2], [3]</sup>			17,500	6,400
Fort Collins		T, R <sup>[1]</sup>			130,000	55,000
Lafayette				T, R <sup>[3]</sup>	26,000	5,500
Longmont	T, R				83,000	27,000
Louisville				T, R, O <sup>[3]</sup>	19,500	5,100
Superior HOAs ~ 90% of town				T, some R <sup>[3]</sup>	10,800	2,360
town contract for ~10%			T, R <sup>[2]</sup>	<sup>[3]</sup>	1,200	339
Unincorporated areas		T, R <sup>[1]</sup>			46,000	16,200

**Key:**

HH = Household

HOA = Homeowner Association

NA = Not Applicable

O = organics (compostables)

**Notes:**

[1] - Hauler licensing required

[2] - Hauler may add organics collection soon

R = Recycle

T = Trash (weekly)

“some” = some haulers offer this

“most” = most haulers offer this but not all

[3] - Hauler licensing not required or not applicable due to contract

The percent of households (in Boulder County plus Broomfield)\* that are covered by each of the residential hauling structures is as follows:

Municipal Collection	21.1%
Open Subscription	68.5%
Franchise	0.3%
Contract	10.1%

\*Note Fort Collins is not included in this calculation.

**Where Boulder County fits in the state context.** It is useful to understand that the way waste and discards are managed in Boulder is shaped somewhat by state policy, which is different than much of the rest of the country. Most states require (by law or regulation) that local governments take responsibility for residents’ solid waste management as a matter of public health and safety (like water supplies or wastewater treatment). Local governments in those states typically meet mandates by providing municipal service or contracting/franchising for waste collection (and for recycling). Colorado does not require this of its local governments; hence the patchwork shown above.

**Historical development of County’s residential waste collection infrastructure.** Historically, most residents of Boulder County have always had responsibility for managing their own waste; in fact, prior to the mid-1960s, Boulder and other towns still had backyard incinerators.

Meeting a community need, many hauling companies entered the open market providing services by the 1960s and 1970s. Several of these businesses, such as Town & Country in Louisville/Lafayette and Western Disposal in Boulder became integral parts of the community, and evolved their business models in response to customer requests for increased diversion options. The exception to this is Longmont, which has long offered municipal waste collection.

Under leadership by key players in the County (especially Eco-Cycle, but including concerned citizens, most local jurisdictions, and Western Disposal) looking for increased diversion options, a system has evolved over the past 20 - 30 years whereby most residents have access to recyclables and organics collection either at a drop-off center (DOC) or at the curb along with weekly trash service, regardless of the method through which their service is delivered.

Options for managing other residential discards such as household hazardous waste (HHW), reusable items, appliances, construction & remodel wastes, yard waste drop-off, and hard-to-recycle materials have evolved as well, with a mix of public, non-profit, and private organizations offering services.

**Services and how paid for.** Most towns in Boulder and Broomfield Counties offer year-round recyclable drop-off centers, and many offer access to drop-off options for organic materials, either year-round or seasonally. Most recycle DOCs and the Center for Hard to Recycle Materials (CHaRM) in Boulder are operated by Eco-Cycle and paid for at varying levels by the host community. Thus, all residents of the County have access to drop-off centers (DOC) as well as collection events for HHW, electronics, and yard waste.

More difficult to quantify is value of key discard management programs hosted by Western Disposal Services' (WDS) on its property, at no charge to these organizations:

- Boulder County-owned and -operated HHW facility (since 1991)
- Center for Resource Conservation ReSource Yard's used building material sales (since 1996)
- City of Boulder's Yard Waste drop-off program (since 1997)

For the County and/or City (and ReSource) to have paid market-price land lease costs for these services might have made it prohibitive to offer them.

Note that the costs to a community of HHW, CHaRM, and related drop-off services are not visible to residents (on hauling bills or elsewhere except City budgets), due to the variety of hauling structures in the County and to non-quantifiable benefits of donated services from organizations like Eco-Cycle and WDS. These costs are usually borne by local jurisdictions directly out of general funds, rather than out of a dedicated utility or enterprise fund.

**Trash taxes.** The exceptions to this are Longmont, which operates its waste/recycle services as an enterprise fund and Boulder, which collects a trash tax used in part to fund these services. No other jurisdiction in Boulder County collects a trash tax. The City of Longmont charges its residents a city "waste management fee" (\$2.96/month) to fund its various service offerings. Note that for residents getting Longmont service, this fee is not separated from other solid waste fees (not "visible"). For residents in HOAs in Longmont, the Waste Management Fee is collected and is visible on bills.

**Why towns have switched to contracted hauling service.** Contracting for hauling service versus open subscription has gained attention along the Front Range in recent years.

The towns of Louisville and Lafayette moved to contracted service for their residents in 2008 and 2009, for the following reasons (in order of stated importance):

- to make services more consistent town-wide
- to make recycling more accessible
- to obtain collection and diversion data
- to reduce wear and tear on city streets.

Superior moved to contract service for three neighborhoods that are not set up as HOAs, simply to obtain lower rates. The features of these contracts are summarized in Table 2, on the following page.

**Table 2 – Residential Curbside Hauling Contracts in Boulder County**

*Note: Longmont, while not a contract service, is included for purposes of comparison*

Town (contract term) Contracted Hauler	Who provides carts?	Who does billing?	Who pays LF tip fees?	Who keeps recyclable revenues?	Other notes
Lafayette (5 years) WDS	City	City	Hauler	City	Hauler provides bulky item collection, public outreach, monthly report on quantities; charges PAYT rates.
Louisville (5 years) WDS	Hauler	City	Hauler	City	Hauler provides public outreach, monthly reports on quantities; charges PAYT rates. City didn't ask for organics collection in RFP but liked WDS's proposal to include it & thus added it.
Superior - 3 neighborhoods (4 years) WC	Hauler	City base fee; WC other fees	Hauler	Hauler	Initiated to get trash fees in 3 neighborhoods as low as fees HOAs could get. Not a PAYT system (yet).
Longmont City owns & operates	City	City	City	City	City offers HHW, large item & YW DOCs, special events, public education; charges PAYT rates.

**Key:**

DOC = Drop-off Center

HH = Household

HHW = household hazardous waste

MFU = multi-family unit

LF = Landfill

PAYT = pay as you throw

SFU = single-family unit

WC = Waste Connections

WDS = Western Disposal Services

YW = yard waste

**Observations.** The towns that have switched from open subscription to contracted services in the past three years include Louisville, Lafayette, and a small part of Superior. All reported long periods of debate amongst stakeholders before final decisions were made.

As mentioned above, Louisville's and Lafayette's main reasons for switching were to decrease service confusion, make it easier for citizens to recycle, and obtain collection data. Louisville's program starts in June 2009 so it is too early to report on its experience or on citizen satisfaction. Lafayette reported changes have been excellent from all perspectives. Superior's main reason to switch to a contract was to obtain lower rates for its residents not residing in HOA areas, to be comparable to HOAs' rates. Broomfield and Fort Collins have both considered making the switch to contract or franchise service but have decided not to do so; see Research Area 3 for discussion.

Lafayette reported that overall the transition to a contract took about 40% of the Public Works Director's time (first six months of the roll-out took 100% of his time) and 100% of a utility billing clerk's time initially. Going forward, the town estimates they will need about 10% more billing clerk time (with the need to verify the hauler's billing, download data to the town's

billing system, answer phone calls, etc.). Superior's Assistant City Manager, who manages the contract, reports "a lot more" work related to this contract.

Detailed findings from interviews are included in Appendix 2, in Table A-1.

## **RESEARCH AREA 2 – What Boulder City and County Residents Pay for Curbside Services**

Boulder needs comparative information on hauling rates for waste, recyclables, organics, and other items as paid by both its citizens and by other Boulder County residents, to inform its discussions about the potential move to a contracted single hauler.

Curbside collection is not as straightforward a residential utility service as water or electricity, where use is measured at point of delivery and units of measure simply continue to scale up as use increases. Rates vary considerably, with many variables influencing rates beyond the obvious (volume of trash). Reasons for rate variability are discussed at the end of this section.

To understand rates around the county, the study sought to establish an 'apples-to-apples' scenario that would represent a typical set of hauling services that a Boulder household might require over a 3-month period. A set of assumptions was created regarding level of service. The cost to receive that same set of curbside services was then calculated for Boulder County.

The data in Table 3, on the following page, assumes a single-family household will use the following curbside services over a 3-month period:

- weekly trash collection (at varying cart sizes)
- every other week recycle collection – 64-gallon cart (where available)
- every other week organics (compostables) collection – 32-gallon cart (where available)
- set-out for curbside pickup of 1 overflow 32-gallon bag of trash

Most hauling bills are pegged to the size of the trash cart – hence prices are shown for this set of services as linked to trash service level. Not all residents can receive exactly the services outlined above throughout the County (e.g., in some locales curbside organics collection is not available or overflows will not be picked up), so it cannot be a true apples-to-apples comparison.

Also, note rates change frequently; this is a snapshot of rates as of May - June 2009.

Table 3 also does not quantify or describe all other discards management services (beyond the curb) that may be embedded in the rates shown. The various haulers offer additional services (from funds captured by rates) such as:

- hosting diversion facilities (WDS hosting HHW, ReSource, YW drop-off)
- operating diversion facilities (Longmont operating DOCs for various items)
- supporting event recycling (Longmont for annual festivals and events)

Table A-2 with more details, such as who charges \$1.00 extra per month for a recycle cart, what the rates are for bulky item-pickup, varying rates for overflow, etc., is included in Appendix 2.

**Table 3 – Residential Haul Rates Around Boulder County for Three Months’ Services***Service includes EOW 64-gal. recycle, 32-gal. organics, & 1 overflow trash pickup – all at curb*

Total quarterly charge				Service Detail						
Hauler	Trash service level:			Is service included at curbside?						
	32-gal	64-gal	96-gal	Recycle	Organics	Bulky Items	Cart Cost	Trash Tax visible?	Overflow	
<b>Boulder – Subscription only</b>										
WDS <sup>[1]</sup>	\$69.00	\$106.50	\$138.00	EOW	EOW	for fee	included	yes	charge <sup>[2]</sup>	
Allied <sup>[1]</sup>	\$61.50	\$85.50	\$109.50	EOW	EOW	for fee	\$2.50/cart/mo. or provide own	no	charge <sup>[2]</sup>	
One-Way <sup>[1]</sup>	\$49.00	\$76.00	\$101.50	EOW	EOW	for fee	only 1 free; extras @ \$16	no	charge <sup>[2]</sup>	
<b>Lafayette – Contract for entire town</b>										
WDS	\$21.36	\$39.72	\$58.11	EOW	NA	just 1 free/qrtr	\$1/mo. ‘recycle’ fee for T & R carts	none	charge	
<b>Louisville – Contract for entire town</b>										
WDS	\$44.10	\$63.15	\$82.20	EOW	EOW	just 1 free/qrtr	1 T included; \$.50/mo./R cart	none	charge	
<b>Superior – Contract for 3 neighborhoods within town</b>										
WC	NA	NA	\$53.85	weekly	NA	for fee	included	none	won’t collect	
<b>Erie – Subscription only</b>										
WC	NA	\$58.43	\$65.27	weekly	NA	for fee	included	none	charge	
Deluxe	NA	\$42.00	NA	NA	NA	always free	included	none	no charge	
<b>Longmont – Collection by City-owned &amp; operated fleet</b>										
city	NA	\$33.81	\$42.84	EOW	NA	fees	included	no	won’t collect	
<b>Unincorporated Boulder County (e.g., Hygiene, south county, but not mountain service)</b>										
WDS – north	\$61.00	\$91.00	\$121.00	EOW	NA	for fee	included	none	charge	
WDS – south	\$56.50	\$84.25	\$112.00	EOW	EOW	for fee	included	none	charge	
One-Way	\$55.00	\$89.00	\$102.00	EOW	NA	for fee	not included	none	charge	
Allied south	\$58.83	\$86.09	\$128.36	EOW	EOW	for fee	not included	none	charge	

**Key:**

EOW = every other week

HH = household

mo = month

NA = Not Available

qrtr = quarter

R = recycle

T = trash

WC = Waste Connections

WDS = Western Disposal Service

<sup>[1]</sup> Does not include trash tax.<sup>[2]</sup> City ordinance requires haulers to charge for trash overflow @ \$3/32 gal. bag. No charge for recycle overflow.

Rates from the Denver Metro area (outside of Denver, which operates municipal hauling with no visible trash bill to residents) were also evaluated. Haulers serving the cities around Denver (where recycling is not required) include Waste Management, Allied/BFI, PacMan, and Waste Connections. These companies charge extra for curbside recycling service, and customers must provide their own bin/cart for recyclables or buy the bin from the hauler. Rates from these four companies, for a three-month period, range from \$61.50 to \$78.30.

**Differences in rates.** Reasons why Boulder’s costs appear high, and why curbside hauling rates vary so much include:

- Whether recycle & organics collection is included
  - Lafayette’s contracted services excluded organics collection
  - Curbside organics collection typically means city will not have to offer spring clean-up or other organics collection
    - a) Western picks up extra organics curbside at no extra charge to the customer (effectively absorbing the City’s spring cleanup costs), whereas in Louisville, there is a charge for organics outside the cart
  - Customers wishing to get rid of large quantities of organics – if they:
    - a) have curbside organics collection & it won’t fit in cart, they will have to:
      - i. pay extra overflow charges for curbside pickup
      - ii. drive to YW DO (in Boulder or Longmont)
    - b) don’t have curbside organics collection:
      - i. their town may be bearing the cost of spring cleanup/fall leaf collection, or
      - ii. will pay overflow charges for curbside collection (but it may not get composted)
- Western offers ways for its Boulder customers to lower rates:
  - Every-other-week and pre-paid bag trash services, lowering rates for efficient recyclers and composters. Those programs are not available in other communities.
  - Senior Discounts of ten percent in Boulder which are not available in Louisville, Lafayette, Erie, Superior, etc.
- The number of customers at different service levels – a hauler’s collection costs are the same regardless of whether its customers set out 32- or 96-gallon carts. If most customers that a hauler serves receive the lowest level of service (32-gal. trash), it must charge higher rates to the 32-gallon customers to cover its fixed costs across all customers, than a hauler would who had predominantly 96-gallon customers paying higher rates
  - In Lafayette and Louisville, there are more residents with higher volume trash service, which changed the price estimate given for collection service (across the PAYT rates)
- Distance to landfill – towns closer to the landfill incur lower haul costs than those further.
- Haulers required by ordinance to provide recycle & organics collection but not charge visible fees for those services must still embed that cost in trash rates to cover recycle & organics collection costs
- Whether hauler pays for carts
  - Contract hauler does not pay for carts in Lafayette
  - It does pay for trash carts in Louisville
  - WDS pays for carts for Boulder customers
  - At rates approaching \$100 each (when purchased in smaller quantities), this cost is significant if each household is to receive 2-3 carts
- Other services/support provided beyond basic trash, recycle, or organics collection
  - WDS charges Lafayette customers extra for other services such as alley pickup

**Observations.** While Boulder’s WDS subscription customers pay the most on a per-quarter basis for collection services (especially as compared to WDS’s contract customers in Lafayette and Louisville), a move to a single-hauler contract on the part of the City might not secure lower rates for Boulder residents because of how prices are estimated for multi-year contracts. A hauler will prepare a proposal for a PAYT contract knowing its capital and operating costs for

the contract term plus its profit margin; the proposed per-household, per can-level price is calculated including:

- Fixed collection costs
- The number of customers expected at each trash can service level
- If it is to provide carts or not
- The level of other services to be provided per contract requirements
- Other related risks

In researching this study there was no evidence found that Boulder residents are displeased with the rates paid to or service received from WDS. WDS's residential market share continues at a stable rate, even when lower-priced alternatives are available, and neither it nor City staff or elected officials report receiving complaints about costs. Finally, note that the 2007 study "*Boulder Colorado Pilot Recycling Program Set-out Survey, Mail Survey and Rate Structure Report*" by SERA reported that more than half of residents surveyed were very satisfied with garbage service (with 85% satisfied or very satisfied), and that there was "neutral or somewhat positive feedback about costs of service" (p. 9, available online at [www.bouldercolorado.gov/files/sera\\_draft\\_report\\_9-07-07.pdf](http://www.bouldercolorado.gov/files/sera_draft_report_9-07-07.pdf)).

### **RESEARCH AREA 3 – Observations from others' experience with multi-hauler, subscription-based residential hauler scenarios**

Broomfield and Fort Collins are both 'open subscription' communities, like Boulder. Over the last few years, both cities have conducted multiple evaluations into the advantages and disadvantages of changing the open competition hauling system in their communities. Information and observations from their experiences follow:

**Fort Collins** – Currently, any hauler can collect waste in Fort Collins as long as they:

- Meet general licensing requirements
- Provide recycling services to trash customers (and provide recycling containers)
- Use a variable pay structure for trash service (although City staff feel that the city-established calculation haulers must use to set fees may not provide enough incentive to recycle)
- Report data (although scales are not available and data quality is questionable)

In 2008, Fort Collins completed a study that identified how to both increase landfill diversion and decrease the infrastructure, safety and aesthetic impacts associated with open competition collection. Although the resounding recommendation was to reduce the number of haulers providing residential collection through a franchise or contract scenario, the local haulers and their customers convinced the city council not to adopt the study recommendation.

However, in July 2009 city staff plans to propose to city council that the city run a pilot in a section of the city to test the success of service by a single, contracted hauler. If the council approves the pilot study, which may last for multiple years, the city is expected to:

- Make a public notification (a state statutory requirement requiring at least a 6-month notice before taking action)
- Select a pilot area within town
- Conduct a procurement process for a contract hauler
- Implement the pilot in the selected area

- Use the pilot to evaluate potential policies such as required recycling carts (versus bins), revised PAYT fees to increase recycling incentive, and improved data reporting by the hauler
- Based on the results, evaluate the implementation of new citywide policy requiring the above features

**Broomfield** – Waste haulers in Broomfield are also required to be licensed, although there are no requirements for recycling. Similar to Fort Collins, Broomfield has looked at this issue off and on for at least a dozen years. It has conducted research into districting or contracting waste collection. However, city staff report that Broomfield’s study indicated slightly less definitive benefits to reducing the number of haulers. Most notably, the public is loyal to their private haulers, and resoundingly indicated the desire to select their own hauler and be allowed to control household rates by choosing to recycle at the city’s drop-off center (instead of paying for curbside collection). Between public input and the city’s desire to protect the small hauling businesses, no change has been made. City staff observes that the issue may be raised in the future by the city’s new task force on sustainability.

**Observations.** A move from a well-liked open subscription scenario to a franchise or contract scenario should not be taken lightly. Planning sufficient time and resources to meet state requirements and to obtain public input is critical. One or more stakeholder groups can effectively derail the process despite staff’s best efforts.

#### **RESEARCH AREA 4 – Pros and Cons and Perceived Benefits/Liabilities of Single Hauler**

To move to a single hauler system for Boulder would entail the City either setting up a franchise system which could allow multiple haulers to service residential districts, or issuing a contract for a hauler to serve the entire city. To do so would be disruptive to the current system so the goals for making such a significant change should be clearly defined, and considerations for all stakeholders should be evaluated in a transparent fashion.

**Considering a Move to Single Hauler for Boulder.** The pros and cons for Boulder to move to contracted service, based on this research, must be considered from various points of view as each stakeholder has different things at stake. A more detailed table discussing these Pros and Cons in depth is in Appendix 3.

- Residents:
  - Pros – rates may go down
  - Cons – services may go down (if trash tax goes up, may be no net reduction in rate); loss of ability to select own hauler; loss of custom service\*
- Elected officials:
  - Pros – meeting diversion goals, increasing trash tax revenue
  - Cons – meeting citizen wishes and risks related to not being re-elected
- Diversion advocates:
  - Pros – opportunity to increase diversion with contractual tools; if trash tax goes up, could be more funds for diversion projects
  - Cons – contract limits could preclude quickly adding diversion programs
- City staff:
  - Pros – reduced street maintenance costs; greater control over diversion planning and implementation; could add billing to City water bills

- Cons – managing RFP development & issue time-consuming & complex; getting public input; hauler could take ordinance to public vote; add'l staff may be needed to manage contract & perhaps billing, customer service (depends on contract)
- Haulers:
  - Pros – secure contract for hauler that wins.
  - Cons – any hauler not awarded the contract may be severely impacted, resulting in local job loss

\*“Custom service” deserves a bit more explanation: this includes a variety of services, both billable and non-billable to the resident, such as:

- Collection from inside the garage, back door or driveway (attractive to elderly or disabled)
- Choice of container size for each service (trash, recycle, compost)
  - Lafayette gave all households 96-gallon recycle carts but some didn't like it; e.g., 96 gal. was too big for some elderly, too big for some garages, etc.
- Options of every-other-week and pre-paid bag trash collection services for households with little waste
- Alley service possibly necessitating smaller collection vehicles
- Special bear-proof containers
- Vacation stop/start with billing on hold
- Coming back for missed set-outs if truck is still on route
- Sweeping up area around cart if there was a spill
- Taking some refuse overflows at no extra charge
- 10% discount for elderly
- Giving interested toddlers a tour of the truck and a cap or toy from the company

**Observations – Non-economic considerations.** A harder-to-quantify consideration in moving to a residential contract/franchise scenario for the City of Boulder is the non-economic aspects of Boulder's current diversion infrastructure. Key leaders (Eco-Cycle, WDS, the City itself, and Boulder County) have invested and committed already to the evolving and maturing local waste diversion and discards management infrastructure. Over the last three decades, these organizations (and others, notably the Center for ReSource Conservation and other recycling companies) have all helped make Boulder a leader and innovator in diversion – leadership that has enabled other communities in the county, state, and beyond to increase their diversion in turn.

The 'learning curve' costs have been incurred by these leaders, and it would be difficult to quantify the value of these now-intangible investments in a competitive bid that sought to simply obtain lowest costs for residents.

As opposed to a cost-only bid, a formal procurement process should ask proposers to discuss non-economic considerations and enable the City to take these into consideration. These less tangible contributions can include:

- decades of community participation and leadership
- recruiting & involving residents in volunteer work on diversion (Block Leaders)
- high levels of customer satisfaction
- custom service
- thoughtful research and leadership on diversion options
- community education
- initiation and operation of diversion programs, facilities, and services

- volunteer work
- local ownership & employment with revenues staying in the community
- value-based and visionary organizations
- in-house commitment to sustainability
- collection of discards for diversion from special events

## Appendix 1 - Definitions

### **Types of collection strategies & how paid for:**

**Contract** – a local government contracts with a hauler to provide a variety of waste-related curbside collection services for a fixed period of time. Contracts typically address service terms and rates; billing; revenue; service-level expectations; destinations for waste, recyclables, and compostables; renewal options; and other typical contractual features. Under some contracts the hauler bills households directly while in others the government bills residents (typically adding fees to a water or other utility bill) and then reimburses the hauler.

**Franchise** – a local government divides its area into sub-areas or districts and awards service contracts to haulers by district. Billing is as under “contract,” above. Sometimes called ‘districting.’

**Municipal Collection** – a local government owns and operates the equipment needed to provide collection services. Can include waste, recycle, organics, large-item pickup, and other services to households. Typically this encompasses fleet, billing, customer service, maintenance, planning, and disposal functions. Households are typically billed directly by the town, often with other utility services.

**Open Subscription** – residents arrange directly with a hauler for service provision at their household. Haulers may charge for a large variety of service levels, fees, etc. Also referred to as ‘free market’. Haulers bill households directly.

### **Other terms:**

**Pay-As-You-Throw (PAYT)** – billing is done in incremental blocks where higher quantities of waste are charged at significantly higher levels as the first block. E.g., 32-gallon cart = \$12; 64-gallon cart = \$24; 96-gallon cart = \$36. Should be provided along with diversion options (recycling and organics collection) as it creates financial incentive to divert waste.

**Single-Stream Recyclables** – collection of all recyclable material (fiber, containers, etc.) is done in one container (as distinguished from earlier systems where residents sorted material into newspaper, glass, containers, or other breakdowns. Boulder County’s MRF, which processes most recyclables collected residentially in the County, can process single-stream material.

Appendix 2 – Table A-1: Detailed Comparison of Cities

CITY	CURRENT STRUCTURE	MAJOR COMPONENTS	BILLING	OTHER FEES	LESSONS LEARNED, Pro's & Con's
<b>LAFAYETTE</b> 26k population, 5k SFUs & 500 MFUs in program now	Pre-10/07: open subscription Changed structure to address customer complaints, service confusion, add SS recyc & get data Beginning 10/07: Single-hauler contract (Western) for T (wkly), SS R (EOW), LIP (1 free item qtrly/hh) for residential up to 7 units (HOAs)	5-yr contract, hauler provides NO containers. Hauler pays LF tip fees, does outreach, provides all customer services & mo'ly data reporting; gets annual CPI increase. Hauler passes ALL gate fee revenues from BoCo MRF to city; these are the only revenues the City receives for trash service. as high as \$20/ton, now \$0. NOTE: City did lease/purchase with BoCo to buy Toters (carts) in all 3 Trash sizes, plus recycle cart only in 96-gal size, because Western could only do Otto; city will own carts in 7 yrs & will reduce the recycling fee.	Bills done by city on utility bills - any resident with water service must pay for SW regardless of use; PAYT (3 levels - see Rate table) with a direct pass thru to Western (city keeps no \$); Recycling fee of \$1/hh-mo charged by city & 100% used to pay lease fee to BoCo	Overflows \$3/extra 32-gal trash bag from city or pay hauler directly; Fees for extra LIP. WDS charges city \$13/block face to change to curbside collection from alley if it was set up originally to collect in alley.	Changes have been excellent from all perspectives. 2-yr process ending in election year (all incumbents were re-elected). Do-overs include having 48-gal recycle cart for elderly; next term will add HOAs & organics.
<b>LOUISVILLE</b> 19,500 pop; 5,100 SFU in pgm	Pre-6/09: Open subscription. Beginning 6/09: Single-hauler contract with City (Western) for residential SFU only: Trash (wkly) Recycle & Compost (alternating EOW) LIP (1 free item qtrly/hh)	5-yr contract, w usual extension and disengagement options. Hauler provides containers. Hauler pays LF tip fees, does outreach, provides most customer services & all mo'ly data reporting; gets annual CPI adjustment. Hauler passes ALL gate fee revenues from Boulder Co. MRF to city; these are the only revenues the City receives for trash service. as high as \$20/ton, now \$0. Lsvl has contract w BoCo for this directly. HOAs are excluded.	Bills done by city on utility bills showing charge for refuse & composting. PAYT (3 levels - see Rate Table 1) with a direct pass thru to Western (city keeps no \$). City is not hiring add'l billing clerks but has had to spend quite a bit of time tweaking its utility system to synch w data needed for these bills.	See other tables on worksheets Note: Western values carts provided to customers at \$1/mo. + \$.285/mo. maintenance	Are in early stages of roll-out & getting the expected complaints and support from residents. WDS has been great to work with. Looking forward to decreased wear and tear on streets. This has provided the impetus to add waste-recycle-compost as a "utility" under PW and to transition to an enterprise-funded utility for this service area from the city. Some residents object to more gov't involvement in services.
<b>BROOM FIELD</b> 55k population, 20k households	Open subscription for non-HOA; HOAs deal with T/R separately (may contract for better prices than individual residents see)	Req SW haulers to be licensed (website lists 20 haulers incl RO, R only, etc.); also have ordinances for covered loads, screening from public view & noise (ops between 7 am/10pm only); "all new and significantly remodeled structures where refuse is generated by the use of the structure shall provide adequate space for the collection and storage of refuse and recyclable materials" (17-34-060) also covers T/R enclosures. NOTE: no policy to dictate LFs used or recyclables collected curbside	City charges no fees & earns no revs from any curbside collection; 2005 NRC survey report stated average T fee of \$10.14/hh-month & avg R fee of \$1.02/hh-month - haulers do all billing	DOC is very active 24/7 & residents use heavily (min contamination or illegal dumping since cameras added); city pays EcoCycle to operate, pays hauling per pull, pays BoCo for education in schools; earns no revenues (but RFP out now for new ops contract hopefully with rev sharing). City pays Eco-Cycle for education.	Despite research done on districting or single hauler, public strongly favors status quo - don't want to pay more for curbside if added recycling increases (prefer DOC), want to choose own haulers, street infrastructure not that big a con; politicians don't want to hurt small haulers; slight possibility this comes up again from increased diversion position (new task force on sustainability) NOTE: City would still like ordinance to require all T haulers to offer curbside R if can find way to charge for T separate from R (so residents can opt out)

Appendix 2 – Table A-1: Detailed Comparison of Cities

CITY	CURRENT STRUCTURE	MAJOR COMPONENTS	BILLING	OTHER FEES	LESSONS LEARNED, Pro's & Con's
<b>FORT COLLINS</b> 130k population, 55k households	Open subscription with strong ordinances that req data reporting (tho do not require scales to verify weights), recycling for T customers, PAYT (but complicated base plus approach that doesn't give enough incentive to R).	Ordinance requires hauler to provide R carts (65 or 95 gal) for SS collection City requires all haulers to be licensed by ordinance & has T/R enclosure ordinance.	Haulers bill using city-established calculation of fixed fee (optional) + variable fee where fixed fee must be <=/= to total & 2nd bins are 100% cost of 1st	NOTE: Council request for pilot has not been made (outcome unknown) & decisions about targeted area. Council decided not to pursue YW collection or R minimums for haulers (i.e., min 10 lbs/hh-collection day, etc.)	Council has supported numerous studies in last 15 years but made minimal changes in recent yrs. Switching to city-controlled hauling contracts extremely controversial (GSI & Ram very vocal & can mobilize customers to oppose - WM is 3rd major hauler in city). Need ordinance changes to be possibly implemented during 6-mo waiting period PLanned changes under pilot to include: from bins to polycarts, reqt for R, increase data quality by req'ing ability to weigh, change rate calculation to eliminate base rate & require 2nd T cart to be ~ 80% cost of 1st)
<b>LONGMONT</b> 83k population, 27k households	Municipal T collection - 4 days/wk M-Th; SS R also M-TH but EOW; LIP on call w fees Fridays; limb collection on-call (free) Fridays; serve all SFUs & MFUs , up to 8 units; R & T on same day; city also rents dumpsters (4 cy for 3 days @ \$33.32) SWITCHED TO SS IN NOV 2008 Note: 11-08 WCS showed 24-25% organics.	Enterprise Fund - revenues earned cover all costs; but no rate increase since 1996. SERA is doing rate study spring 09. All SFU & MFU < 8 units must use/pay for city service; all others can use any hauler but must pay waste mgmt fee (\$2.96/hh-mo). Sent 8,000 tons to BoCo MRF in 2008; diversion rate (curbside recyclables only - don't count events or YW) was 18% in 2008; late 2008 new ordinance req all haulers of MFU > 8 & commercial to provide unlimited recycling & report to City. Curbside limb collection 1x/yr.	\$14.28/mo for 96-gal T or \$11.27 for 48-gal T; this incl \$2.96 waste mgmt fee to fund SS recyc (64 + 96 gal carts), HHW, large item stop-n-drop; city has own power & water company - bill SW on this utility bill.	charge for LIP, charge for non-residents or commercial properties to use YW DOC; dumpster rental fees.  Besides mo'ly fees, occasional grant is a source of revenue to the Enterprise Fund.	Public & politicians thrilled; now that staff have weathered switch to SS, they are happy also. April & September are the 2 open-enrollment months when citizens can change service for fee - they have seen increased requests to reduce size of T container. City has no intention to privatize tho Charles continually tracks costs, value.

Appendix 2 - Table A-1: Detailed Comparison of Cities

CITY	CURRENT STRUCTURE	MAJOR COMPONENTS	BILLING	OTHER FEES	LESSONS LEARNED, Pro's & Con's
<b>SUPERIOR</b> 12k pop., 339 HHs under contract, 2,700 HHs total	Essentially districted. Trash removal for Original Town, Sagamore, & The Ridge by Waste Connections, under contract with Town estab. in 2008; 3-yr contract thru 2011. Waste Connections has contract (it also services Rock Creek). Rock Creek and Summit residents are HOAs which contract privately.	Town's motive in switching the 3 neighborhoods to a contract was to get lower rates for residents, not to increase recycling. All residents under the contract must participate, may not opt out. Minimum T size is 96-gal. Didn't mandate any PAYT as primary goal was to reduce bills. WC provides 1 32-gal cart.  Free Recycle DOC open all the time, maintained by Eco-Cycle. YW DOC open Wed, Sat, Sun Apr-Nov; takes Xmas trees in Jan.	Billing is done by Town - it added a line item on mo'ly water bill. Town only bills the base rate (\$8.95/mo for 96-gal container). Waste Connections bills all other fees (see Table 2).	See Table 2. LIP - \$15/piece Extra trash or extra or bigger recycle cart - \$4/mo.	Pro's - met goal of reducing costs for HHs. Recycle service is good. Con's - mandating that the HHs participate in the service was not popular. Folks liked ability to choose own hauler. Citizens said recycle carts were too small - complain that they have to pay for bigger cart. Perceptions: residents- get about 10 complaints/mo (this is kind of high for 335 HHs) elected - Mayor fields a lot of complaints staff - has added a lot more work for Asst. City Mgr.
<b>ERIE</b> k population, k households	Subscription only, no town management of T & R.	There is a DOC for recyclables. Residents choose between Waste Connections (formerly T&C), Deluxe Tow & Trash, WDS, etc.	See Table 2.	None incurred by town.	None to report at this time.

**Key to Abbreviations**

- |                              |  |                                 |
|------------------------------|--|---------------------------------|
| A1 = A1 Organics             | LIP = large item pick-up               | Req = require                   |
| BoCo = Boulder County        | MFU = multi-family units               | SFU = single family units       |
| CY = cubic yard              | mo = month                             | s-s = single-stream             |
| DOC = drop off site/facility | MRF = materials recovery facility      | T = trash                       |
| Gal = gallons                | PAYT = pay-as-you-throw variable rates | WDS = Western Disposal Services |
| hh = household               | R = recycling                          | YW = yard waste                 |

**Appendix 2 - Table A-2: Detailed Comparison of Rates in Communities With and Without Curbside Organics Collection**

Note: fees are as of Spring 2009

Page 1 of 2

Comparing rates: Assume wkly T, 64-gal R EOW, 32-gal compost EOW, & 1 overflow bag T during a quarter

Monthly & other charges							TRASH TAX?	Total quarterly charge		
TRASH	RECYCLE	ORGANICS	Overflow	Extra fees	Cart cost?	Bulky Item Pick-up	yes/no; Visible?	32 gal.	64 gal.	96 gal.
<b>COMMUNITIES WHERE ORGANICS COLLECTION IS AVAILABLE</b>										
<b>BOULDER</b>										
<b>Western Disposal - Boulder customers</b>										
\$22.00 32-gal.	included	included, along w/ 6 yds extra YW EOW	\$3/32-gal bag as required by City ordinance	10% discount for elderly (who are > 10% of WDS's customer base). Can put service on hold.	included. Western values this at \$1/mo + \$.285/mo maintenance	Fees for large-item pick-up - couch is \$28.25. Customers can opt out of trash carts & get pre-paid bags for trash.	Yes, visible on bill	\$69.00 (w/o trash tax)	\$106.50 (w/o trash tax)	\$138.00 (w/o trash tax)
<b>Allied (formerly BFI) - Boulder customers</b>										
\$16.00 32-gal.	included	included	\$3/bag - very strict on charging this	\$1.30/mo. admin fee; \$2.20 variable fuel & enviro surcharge	Customer must buy & maintain own carts	\$25/bulk item	Customer service said 'it's all included' - not visible on bill.	\$61.50	\$85.50	\$109.50
<b>One-Way - Boulder customers</b>										
\$16.00 32-gal.	included	included	\$1/extra bag \$2/extra can (should be more per City req't's)	None	1 is included, extra @ \$16 from One-Way	\$5-10/couch; \$15-20 for fold-out bed	Customer Service said "we don't charge this" - not visible on bill.	\$49.00	\$76.00	\$101.50
<b>LOUISVILLE - Western Disposal under contract to Louisville (starts 6/09)</b>										
\$7.95 32-gal.	included	32 gal-\$3.25 64 gal-\$6.00 96-gal-\$8.75	\$3/bag - must get stickers from city only 8 am - 5 pm		1 T cart included. Extra carts are \$2/mo. \$.50/mo. for R cart	One free per quarter, then there are extra fees (see WDS under Boulder for probable charges)	No trash tax	\$44.10 (getting carts from hauler)	\$63.15 (getting carts from hauler)	\$82.20 (getting carts from hauler)
<b>UNINCORPORATED BOULDER COUNTY (not all haulers serve all of unincorporated county)</b>										
<b>Allied (formerly BFI) - South county area customers (between Boulder &amp; Louisville)</b>										
\$18.61 32-gal.	included - provide own bin	included - must use compostable bags placed in carts	\$3/bag	\$1.30/mo. admin fee; \$3.65 fuel surcharge; \$2.88 enviro fee.	Carts only given at 96-gal level for \$32/mo + \$15 delivery fee.	Fees. Couch is \$25 plus service fees - comes to about \$29	No county trash tax.	\$58.83	\$86.09	\$128.36
<b>Western Disposal - South county area customers (between Boulder &amp; Louisville)</b>										
\$17.50 32-gal.	included	included	\$4/bag	10% elderly discount for elderly.	included	Fees. Couch is \$28.25	No county trash tax.	\$56.50	\$84.25	\$112.00

**Appendix 2 – Table A-2: Detailed Comparison of Rates in Communities With and Without Curbside Organics Collection**

Page 2 of 2

Monthly & other charges							TRASH TAX?	Total quarterly charge		
TRASH	RECYCLE	ORGANICS	Overflow	Extra fees	Cart cost?	Bulky Item Pick-up	yes/no; Visible?	32 gal.	64 gal.	96 gal.
<b>COMMUNITIES WHERE ORGANICS COLLECTION IS NOT AVAILABLE</b>										
<b>LAFAYETTE - Western Disposal under contract to Lafayette (it is the only hauler serving the entire town)</b>										
\$6.12 32-gal.	\$1.00 for carts only	not available	\$3/ 32-gallon bag	\$13 to change from street to alley service	T included. R cart is \$1/mo.	Fees - 1 lg. item pick- up/quarter for free & then there are fees.	No trash tax	\$21.36 no compost	\$39.72 no compost	\$58.11 no compost
<b>ERIE</b>										
<b>Waste Connections (bought the locally-owned Town &amp; Country)</b>										
\$16.50 64-gal.	included	coming soon - don't know yet if there will be	\$2/bag	14% fuel charge	Included	Extra fees. \$16/couch	No trash tax	not available	\$58.43 no compost	\$65.27 no compost
<b>Deluxe Trash</b>										
\$14.00 64-gal	included	do not offer	will pick up for free	None	Provide 1 64-gal. T cart; customer buys own R bin	No extra charges at all. First month is free.	No trash tax	not available	\$42.00 no compost	not available
<b>LONGMONT - Collection by City-owned and -operated fleet</b>										
\$11.27 48-gal. is smallest available	included	no service (can go to DOC)	Only 1 overflow pickup /year. Will not pick up.	Can only change service level & get new carts during 2 months of the year.	1st cart included. Extra carts: 48 gal - \$6.60/mo. 96 gal - \$10.14/mo	PU only on Thursdays. \$29.47 trip charge + \$10 for couch. Bulky items each have separate fees but can take to DOC for free.	Municipal fee of \$2.96/mo is included (but not visible) for City customers. Is charged visibly to non-City customers.	not available	\$33.81 for 48-gal no compost	\$42.84 no compost
<b>SUPERIOR - Waste Connections (for Sagamore, Old Town, and the Ridge) - Note - 96 gallon is smallest</b>										
\$8.95 96-gal.	1 32 gal. included	coming soon - fees unknown	Won't pick it up. When customer calls, WC will sell extra cart.	\$4/mo extra for 2nd cart, T or R. Landscape waste: \$15/cy - but it isn't composted.	WC provides carts, cost included	Extra fees. \$15/item.	No trash tax.	not available	not available	\$53.85 no compost
<b>UNINCORPORATED BOULDER COUNTY (not all haulers serve all of unincorporated county)</b>										
<b>Western Disposal - Hygiene area customers</b>										
\$19.00 32-gal.	included	not available	\$4/bag	10% elderly discount for elderly.	included	Fees. Couch is \$28.25	No county trash tax.	\$61.00 no compost	\$91.00 no compost	\$121.00 no compost
<b>One-Way - unincorporated County customers</b>										
\$18.00 32 to 55 gal.	included	no service	\$1/extra bag \$2/extra can	None	not included; customer provides for R and T	\$10-15/couch; \$15-20 for fold- out bed	No county trash tax.	\$55.00 no compost	\$82.00 no compost	\$109.00 no compost

Appendix 3 – Pros & Cons of Moving to Contracted, Single-Hauler Waste-Recycle Service in Boulder: Based on Findings of this Study

Stakeholder	What's at stake	Pros	Cons	Comments; Benefits, liabilities
		<i>of moving to contract service</i>		
Residents	Custom service received from favored hauler	None (hauler with contract limitations could not provide custom service that private haulers currently do)	May have to pay more for custom service levels available now	Vocal residents like ability to choose hauler, get driveway service, elderly discount, vacation hold on billing, choice of pick-up day, etc. in open subscription system
	Ability to select preferred hauler	None	Loss of freedom of choice	All towns that have considered or switched to contract received complaints on this point
	Rates	Rates may go down, HH cost savings	Rates may not go down (e.g., if trash tax goes up)	Depends on existing service level & new contract terms; and if trash tax goes up. Residents are generally okay with current rates; City staff report no complaints re trash rates
	Access to more curbside diversion	Easiest recycling for residents is what can be done at curb	System already well established	Increased education and/or incentives could be mandated by contract to increase diversion
City Staff	Wear and tear on roads from multiple haulers	Reduces street maintenance expense	None	Staff must weigh citizen preference vs. city costs to maintain streets. Broomfield did not find this to be case while Fort Collins absolutely did.
	Understanding by citizens – obtain public input re loss of choice of hauler	Residents like to be informed of possible changes & comment on contracting	Getting public input is time consuming & not always accurate	City staff & elected officials must listen to residents' preferences for contract vs. open subscription. Louisville held open houses before contracting.
	Time & resources to make transition and then issue RFP and manage contract	Greater control over waste diversion planning and implementation	Time-consuming Haulers could take ordinance to public vote; could be a costly fight for City.	Local govts adding municipal collection must post notice for at least 6 mos. before can proceed under County Powers Act. Staff must analyze, prepare RFP, select winner, negotiate contract, manage contract, etc. Haulers have right to put issue on ballot.
	Necessary billing & customer support services	City already has water billing system, can add line item(s) as needed	Can add more work – estimated cost of billing is \$.65 - \$1 per bill (per hauler).	Hauler must have strong IT skills to interface with City IT if City does billing. Superior gets about 10 complaints per month (from 339 HHs); Mayor fields complaints too. Could have hauler provide all billing & customer service. WDS notes burden is on them to make billing work in Lafayette.
	Data on residential diversion obtained from haulers	Getting this data enables better planning and cost control	More data for City to manage & work with; may add cost to contract	Haulers serving Boulder already req'd to provide much info to City on residential service. Are there questions about credibility of data? Fort Collins struggles with this.

Stakeholder	What's at stake	Pros	Cons	Comments; Benefits, liabilities
		<i>of moving to contract service</i>		
Elected Officials	Responsiveness to citizen needs	Move toward meeting ZW goals; get collection data; increase revenue if trash tax goes up	Citizens' wishes vary greatly; costs to City	Must listen to citizen wishes regarding contract vs. open subscription. Lafayette's incumbents were re-elected after switch to contract.
Diversion advocates	Chance to increase diversion	Stronger PAYT signals or other requirements in contract may increase diversion	Contract's limits could preclude new diversion opportunities	May be harder or more costly to quickly add new diversion items or change service levels and fees under strict contract terms
Haulers	Everything	Winning contract – stay in business, continue to offer community services (may need to charge more)	Lose contract – may go out of business & no longer be part of community. Job loss too.	Private sector haulers' business models are based on subscription service – can include <i>gratis</i> services to community which likely would go away under contract. Contract terms need to be win-win for both parties or isn't sustainable long-term

## FEE AND TAX CONSIDERATIONS 2009

Item	New, Increase or Extension	Who Pays?	Projected Annual Amount	Comments
<b>Potential: Ballot Items and Conversion of Excise Taxes to Fees</b>				
.15 Cent Sales Tax	Extension of existing sales tax	Residents, visitors and businesses pay sales/use tax. Approximately 52% is paid by non-residents or employers.	Based on original 2009 projections this tax generates approximately \$4.0 million per year.	Sales/use tax revenue provides funding for Housing and Human Services, Environmental Affairs, Arts, Parks and Recreation and the General Fund. Tax expires on 12/31/2012. The Blue Ribbon Commission (BRC) recommended renewal of sales tax to support revenue stabilization.
Development Excise Taxes (DETs) and Development Impact Fees	DETs may be considered for change or increase which would require voter approval.  Fees do not require voter approval.	Currently levied on all new development on a per square foot basis. Residents and/or businesses engaged in new residential development (may also include residential additions) and new or expanded commercial development.	Currently generates between \$900,000 and \$2.5 million per year.	At June 2 meeting, City Council supported implementing impact fees, allocating DET capacity to increase the transportation DET and for park land, and to no longer charge the Education Excise Tax. Implementation will be by ordinance at time of budget adoption in the fall.
Modification of the Housing Excise Tax	Increased revenue	Residents and/or businesses engaged in new residential development (may also include residential additions) and new or expanded commercial development.	Currently generates between \$115,000 and \$350,000 per year.	City Council to consider options for a ballot issue and provide direction on whether to place on ballot at July 7 meeting.
Accommodations Tax	Increased revenue	The tax of 5.5 percent on the price paid for the leasing or rental of any hotel room, motel room, or other public accommodation-located in the city for lodging purposes.	1% of accommodations tax generates \$500,000/year.	The Boulder Convention and Visitors Bureau (BCVB) has proposed that the city consider increasing its accommodations tax. It has been requested that the BCVB receive a portion of any increased revenues. This funding source was identified by the BRC as one of the revenue tools that could help close the long-range funding gap.

**Potential Ballot Items Requiring Voter Approval That Do Not Request A New Funding Source**

<p>Open Space: Ask the voters to restructure the authorized open space debt from revenue bonds to revenue bonds backed by the general obligation (GO) of the city.</p>	<p>To reduce interest expense and to free up additional funds for the operation of the Open Space Mountain Parks Fund and to better meet the needs of the current financial markets.</p>	<p>The sales and use taxes dedicated to Open Space are used for payment of the bonds. They have always been adequate to make the payments even in major economic downturns.</p>	<p>Based on current interest rates this change would reduce interest costs by \$2.7 million if the bonds final maturity is 20 years and \$4.1 million if they final maturity is 30 years. In addition this change would free up approximately \$3.5 million that would have to be borrowed and put in a reserve until the bonds were paid off. The \$3.5 could then be used for purchases instead of being tied up in a reserve.</p>	<p>In 1994 shortly after TABOR went into effect the voters of the city of Boulder authorized the Open Space Fund to issue \$50 million of debt to purchase open space. This was the first bond issue after TABOR went into effect and the Colorado Supreme Court ruled they could only be revenue bonds due to the wording in the ballot question. Subsequent ballot issues have been correct and the voters approved these issues with the with General Obligation backing for the sales tax.</p>
<p>Old Hire Police/ Fire: Ask the voters to authorize the issuance of taxable pension obligation bonds for the old hire fire and police programs.</p>	<p>Voters would be asked to authorize the issuance of the bonds with no increase in taxes. Due to TABOR requirements regarding multi-year obligations voter approval is required.</p>	<p>Payments on the bonds would be from current city revenues being paid into the pension funds.</p>	<p>N/A</p>	<p>Due to the meltdown in the financial markets the unfunded liability for the old hire pension plans has increased by another \$7 million. This amount must be amortized over the next 16 to 20 years (dependent on a change in state law). Based on current estimates the general fund will need to contribute another \$400,000 to \$550,000 per year beginning in 2010. If used when market conditions are favorable these types of bonds can be helpful in addressing the financial issues. If conditions are not favorable the bonds would not be issued.</p>

**Potential New Fees for Parks Operational Costs**

<p>Parks Maintenance Fee</p>	<p>New revenue, or partial replacement revenue.</p>	<p>A flat fee could be charged by household or property and would generate a more sustainable funding source for ongoing parks ops and maintenance.</p>	<p>The BRC analysis suggested a charge of over \$22/household/year would generate \$900,000/yr.</p>	<p>This fee does not legally require a vote. There has been little additional analysis or process related to this item, so it is not ready for consideration at this time. It would be valuable to consider this approach as part of the evaluation for extending the .25 Cent Sales Tax.</p>
------------------------------	---	---	---	---

### Fee Increases Approved by Council this Year

Development Review and Building Permit Fees	Adjustments to existing fees for application reviews.	Residents and/or businesses engaged in development and renovation projects.	The adopted fee changes are revenue neutral.	Building Permit and Development Review fee changes were implemented March 19. Adjustments were made to distribute the cost of services more equitably.
Plant Investment Fees (PIF)	Increased revenue moderated by phase-in approach. However, if building activity decreases from historic level, PIF revenue will decrease correspondingly.	Residents and/or businesses engaged in development and renovation projects.	Additional revenue from phase-in approach: Water: -\$200,000 in 2009 and \$600,000 by 2011  Wastewater: \$100,000 in 2009 and \$500,000 by 2011  Stormwater/Flood Management: \$150,000 in 2009 and \$685,000 by 2013	PIF changes were implemented on April 2 and include a new methodology, updated asset values, and implementation over a phased-in period (3 years for water & wastewater and 5 years for stormwater/flood management) with historic building activity level.

### Potential Increases Not Requiring Additional Voter Approval

Trash Haulers' Tax	Increased revenue within limits previously set by voters	Residents and businesses	A mid-range increase to the tax could generate about \$400,000 additional each year. Max rates would generate \$620,000 additional.	Council gave initial direction to consider increasing the commercial and residential trash tax rates to provide additional funding for projects to meet the city's waste reduction goals on May 19 <sup>th</sup> . This includes funding a site that would house Eco-cycle, CHaRM, and ReSource. A final decision on this item is anticipated either with a decision to jointly purchase (with the county) the site at 6400 Arapahoe on July 21, or if that site is not selected, at a subsequent council meeting to consider purchase of the brickyard site.
Climate Action Plan Tax	Increased revenue within limits previously set by voters	Residents and businesses	A midpoint increase would generate additional revenue of \$412,700 in 2010 and \$212,300 in 2012. Max rates would generate additional \$770,000 in 2010 and \$460,500 in 2012.	City Council held a public hearing and discussed this issue on 1 <sup>st</sup> reading of a potential ordinance on April 21 and 2 <sup>nd</sup> reading June 4. Third reading is scheduled for July 7. The tax is currently scheduled to sunset in 2012.



## Attachment L

### Correspondence 1.

From: Barbara Oloughlin [mailto:bolough@us.ibm.com]  
Sent: Wednesday, July 01, 2009 8:29 AM  
To: Council  
Subject: Stop the 6400 Arapahoe Project  
Importance: High

I am writing to ask you not to move forward with the project to move recycling to 6400 Arapahoe. I believe the project is not thought out and would end up costing tax payers a significant amount of money when it is all said and done for little benefit. Having attended the "presentation", last night on the proposed project last night, I was surprised to see very little information presented by staffers. No traffic study had been completed, actual figures for the cost of the project were not identified and the staffers simply said this was because " the business people who own the land want to move fast so we have to do so". Residents were not given proper notification of the project- postcards were mailed to residents on June 24 with the meeting scheduled June 30- coincidentally over a holiday weekend.

Staffers did not have any answers for the fate of the Sombrero Marsh and the Thorne institute and simply said they hope children visiting the Sombrero Marsh would learn to recycle.

Staffers did not have any answers on why a hazmat facility would be moved from city yards to close to residential neighborhoods.

Staffers did not explain why a property that was purchased in March of 2008 by the Tennis Club- which has sat vacant and had no improvements done to it would be now worth 5.4 Million dollars when real estate values are plummeting everywhere- particularly commercial real estate.

In fact staffers had no explanation for anything. Please do not move forward with this project.

Regards,  
Barbara O'Loughlin  
Concerned Resident  
Office: 303-395-4186  
**Email: [bolough@us.ibm.com](mailto:bolough@us.ibm.com)**

### Correspondence 2.

From: Anita Oswald [mailto:amoswald@yahoo.com]  
Sent: Wednesday, July 01, 2009 8:46 AM  
To: Council  
Subject: STOP Recycle Alley

I am concerned that this project is being railroaded through without public input. Residents may have received a postcard mailed June 24 inviting them to a meeting June 30.

The meeting revealed plans by the City and County to locate a large recycling facility and hazmat treatment plant near our neighborhood.

## FACTS

It is next to Sombrero Marsh (bird sanctuary) and the Thorne Institute

It will impact the already heavy traffic on Arapahoe and the street cannot be widened

It is too expensive

- Tennis Club purchased for \$3.9M in 3/2008

- City proposes to purchase for \$5.4 M in 2009 – a 38% increase

The project is anticipated to cost \$10M to complete! In these economic times this is an exorbitant price tag.

There has been no traffic study

There has been no impact study on the open space

They are proposing to locate a HAZMAT and hard to recycle facility near Boulder Valley Schools and residential neighborhoods.

No answers were given by staff at the information meeting on June 30th.

The project is in Due Diligence now but will go up for approval in July.

Please do not rubber stamp this project.

Regards,

Anita Oswald

### **Correspondence 3.**

**From:** Joe Sleeper [mailto:joe.sleeper@bvsd.org]

**Sent:** Wednesday, July 01, 2009 9:14 AM

**To:** Vasatka, Elizabeth

**Subject:** RE: 6400 Arapahoe: questions & information

Elizabeth:

I'm sorry that I was unable to attend last night's meeting, but I do wish to clarify some of the comments you noted below.

As I mentioned last week, I informed our local employees of the plans for 6400 Arapahoe (we have several hundred who spend at least a portion of their day in our complex when schools are operating). Some have communicated directly with me, and some are using the comment option directly with the City/County. The concerns raised are typically those which Don and I shared: Dust, garbage, wind-generated conditions, traffic, noise, potential pollutants/allergens and hazardous materials. Since most of the site's 'open space' is located directly adjacent to the BVSD office and staff development center (and directly down-wind), concerns also arise that the activities on 6400 which will generate the problems will likely be located closest to our staff and building.

However, it is also clear that there is potential for job-training and other operational partnerships, and BVSD supports waste reduction in our community. We understand the space requirements generated by an increase in landfill diversion activities.

In the likelihood that this sale and initiative moves forward, BVSD would ask that all efforts be made to mitigate those issues noted previously. This would include an effective barrier to keep dust and garbage at bay, asphalt for the dirt portion of the site, a greenbelt or tree-lined separation between our sites, operational limits on the types of activities closest to our site, and an effective manner to handle the significant increase of traffic on and to-from site. Please include these requests into conceptual design and allow us to be engaged during all planning stages.

Please contact me if you need anything additional, and we'll look forward as this project proceeds.

Sincerely,

Joe Sleeper  
Assistant Superintendent  
Operational Services  
Boulder Valley School District

The table below is the May 19, 2009 scenario summary that identified funding options for the Brickyard site and an alternative site. Also included below is the Attachment A from the May 19 memo packet that accompanied the Scenario Summary table that provides details and assumptions for the funding options.

<b>May 19, 2009 Scenario Summary</b> (Details and assumptions to follow)					
Scenario	Facility size	Total cost	Total cost to city	Additional city funding needed	Trash tax rate increase
<b>Brickyard site</b>					
<b>1A.</b> City funds site improvements - relocated Eco-Cycle trailers - Eco-Cycle & ReSource build small warehouses	4.06 acres Two 10,000 s.f. new warehouses	\$3.8 million	\$2.845 million*	\$1.845 million	Significant*** (for 5 years)
<b>1B.</b> City funds a portion of reduced-size building and site improvements	4.06 acres 26,284 s.f. new building	\$6.3 million	\$3.135 million*	\$3.3 million	Moderate** (for 20 years)
<b>1C.</b> City funds about half of proposed building and site improvements	4.06 acres 41,284 s.f. new building	\$7.7 million	\$4.535 million*	\$4.7 million	Significant*** (for 20 years)
<b>1D.</b> City funds majority of proposed building and site improvements	4.06 acres 41,284 s.f. new building	\$7.7 million	\$5.7 million*	\$4.7 million	Significant*** (for 20 years)
<b>Alternative site</b>					
<b>2.</b> City funds a portion of an alternative site	Larger than 4 acres, possibly with existing building(s)	\$5.3 - \$7.7 million	\$2.3 - \$5.7 million	\$1.3 - \$4.7 million	Significant*** (for 5 years or 20 years)

The table below provides detail on the contribution amounts from each party for each of the May 19 scenario funding options provided above.

May 19, 2009 memo scenarios	Contributions			
	Eco-Cycle	CRC	City	County
Brickyard site:				
Scenario 1A. – City funds site improvements; proposed new building not built	\$0 + cost move trailers and build own warehouse	\$0 + cost to build own warehouse	\$2.845 million	TBD
Scenario 1B. – Reduced-size new building	\$648,000 loan from city (\$52,000/year payback for 20 years)	\$517,000 loan from city (\$42,000/year payback for 20 years)	\$3.135 million	\$2 million
Scenario 1C. – New building as proposed; city funds half	\$648,000 loan from city (\$52,000/year payback for 20 years)	\$517,000 loan from city (\$42,000/year payback for 20 years)	\$4.535 million	\$2 million
Scenario 1D. – New building as proposed; city funds most	\$0 (rent only)	\$0 (rent only)	\$5.7 million	\$2 million
Alternative site:				
Scenario 2.	\$0 - \$648,000 loan from city (\$52,000/year payback for 20 years)	\$0 - \$517,000 loan from city (\$42,000/year payback for 20 years)	\$2.3 - \$5.7 million	\$2 million

Funding Scenario Assumptions and Details

Attachment A

**Funding Scenario Assumptions**

**All scenarios**

The following assumptions apply to all five funding scenarios:

- **Ownership:** If the city bonds to cover costs, then it is required to own the property. The city would then lease to Eco-Cycle and the CRC. If the city doesn't bond, the County could potentially own the alternative site, but not the four-acre brickyard site, as a restrictive covenant in the proposed annexation agreement would require the brickyard site to remain under city ownership for a minimum of 20 years.
- **Annual payments to nonprofits:** The city will continue annual total payments of approximately \$283,700 per year as negotiated through contracts between the city and Eco-Cycle/CHaRM and the city and CRC/ReSource detailed for 2008 in the **Attachment F**).
- **County contribution:** Except for Scenario 1A, the scenarios assume the County would contribute \$2 million. The County has \$2.7 million in its Recycling Sales and Use Tax Fund. This assumption is based on informal city and County staff interactions and does not reflect official direction or commitment from the County. The amount the County contributes, if any, will depend on further

discussion and consideration by the County Commissioners. The County contribution amount may vary depending on the site and the amount the city contributes, however, to simplify the calculation and presentation of scenarios 1B - 2, the same \$2 million assumption is used for each.

**Brickyard site scenarios**

The following assumptions apply to scenarios 1A – 1D, which are for the four-acre brickyard site:

- Annexation commitment: In the proposed Western Disposal annexation, the city has committed to \$2.3 million for site grading, utility extension and 63<sup>rd</sup> Street realignment. The city’s \$1 million shortfall for this commitment could be covered by a five-year interfund loan that would be paid back from the Trash Tax (\$220,000 - \$230,000 per year). Alternatively, if the city bonds to pay for a portion of the proposed building, then the \$1 million shortfall could be added to the bond amount. The bond would be paid back by the Trash Tax over 20 years.
- Increased tax: A significant city contribution to the proposed new building would be paid for by increasing the Trash Tax. The maximum rate allowed by the 1994 Trash Tax Ordinance would yield approximately \$600,000 per year in revenue. Alternative funding sources that could be considered are a ballot item for a tax specifically for the building and/or American Reinvestment and Recovery Act (ARRA) funds. ARRA funding could be used to assist with the cost of the new building, but would not likely cover it completely.
- Bonding: The city could use the bonding capacity enabled by the 1994 Trash Tax ballot measure to provide upfront funding for its contribution to the proposed building. The bond would be paid back by a Trash Tax increase. The city could increase the bond amount to also include loans to the County and/or the nonprofits for upfront funding for their contributions. The County and nonprofits could pay back the city loan either in a lump sum or payments. Eco-Cycle and the CRC prefer to pay back any loan from the city through building lease payments, if the city owns the building.

The Trash Tax ballot measure allows a maximum bond of \$6 million, paid back over a maximum of 20 years. (For reference, at current interest rates a 20-year \$6 million bond would be paid back by \$480,000 per year.) The recommended minimum bond amount is approximately \$3 million. Bonding below that amount is allowed but not recommended due to the expense of issuing of a bond, about \$100,000. Finance staff recommends that the bond issuance cost represent no more than 3 percent of the bond amount, unless extenuating circumstances justify a higher percentage.

- Site improvement costs: City land use regulations require site improvements, such as parking, circulation, and landscaping, as a condition of occupying the brickyard site, whether trailers and a warehouse or a new building are located there. These improvements are estimated to cost \$545,000. This cost is included in the building cost estimate.

- Reducing building size/cost: If full funding isn't identified for the proposed building, the most feasible way to reduce its cost would be to scale back its square footage. The current overall project cost is estimated to be \$130 -\$160 per square foot, which, in staff's opinion, is reasonable, given its designed durability, daylighting, and its passive solar heating and cooling features which provide low operating costs. It would be difficult to lower the cost per square foot without sacrificing these qualities. Scenario 1B provides an example of funding for a reduced building size.
- Eco-Cycle and CRC contributions: In January 2009 solicitations to council members and County Commissioners Eco-Cycle and the CRC proposed a combined contribution of 20 percent to the cost of new buildings on Recycle Row. As the estimated cost has increased, so have their contribution amounts. However, the nonprofits have limited ability to provide upfront funds. But they can contribute more to the building cost if they can payback a loan from the city or County over time through lease agreements. This is their preference. Scenarios 1B and 1C assume the city will loan the nonprofits funding to cover their contributions by including that amount in a bond, and the nonprofits will pay back the loan through lease payments for a 20-year lease. If the nonprofits were to pay their contributions upfront (as in Scenario 2), then they would likely contribute less (the CRC has indicated they could contribute \$393,000 upfront, versus \$517,000 with a 20-year loan), and their lease amounts would likely include rent, utilities and maintenance.

**Funding Scenario Details**

**Scenario 1A: City funds site improvements**

- City pays for parking, circulation and landscaping required by the land use code for occupation of the brickyard site, estimated at \$545,000.
- Site improvement costs and city's annexation costs are funded by a five-year interfund loan, paid back by current or increased Trash Tax.
- Due to limited funding, the nonprofits implement their backup plan instead of constructing the proposed building:
  - Eco-Cycle moves their existing commercial office trailers to the brickyard site and builds a 10,000 square-foot warehouse.
  - ReSource builds a 10,000 square-foot warehouse on the brickyard site.

Scenario 1A.	Contribution amount	Additional funding needed	Funding method	Payback amount and time
City	\$2.3 million annexation costs + \$545,000 site improvements	\$1 million annexation costs + \$545,000 site improvements	Interfund loan paid back by current or increased Trash Tax	Trash Tax \$355,000/yr. for 5 yrs

	= \$2.845 million	= \$1.545 million		
County	TBD	TBD	Recycling Sales & Use Tax General fund	
Eco-Cycle	na	\$480,000 for warehouse, plus cost to move trailers	Funds in bank Fundraising Grants	
CRC	na	\$480,000 for warehouse	Private loan Fundraising	
<b>Total project cost = \$3.8 million</b>				

Pros:

- This is the lowest cost scenario for the city for the brickyard site.
- Moving to brickyard site gives both nonprofits secure homes for CHaRM and ReSource.
- An interfund loan over five years would not tie up funds for 20 years as would a bond.

Cons:

- Proposed building is not built. This portion of Recycle Row does not become the educational showcase for waste diversion infrastructure envisioned by Master Plan for Waste Reduction.
- A five-year interfund loan for this city contribution amount has a high annual payback amount. Alternative funding methods could lower the annual payback amount, but they have high administrative costs relative to the loan amount.
- CHaRM and ReSource will not likely increase diversion numbers due to smaller, less optimal facilities.
- Proposed annexation agreement imposes restrictions on commercial operations by Eco-Cycle at this site.
- Using current Trash Tax would delay future waste reduction programs.
- An increase to the Trash Tax may be undesirable in a poor economy.

<b>Scenario 1B: City funds portion of reduced-size building</b>
---

- Proposed building (41,284 square feet) is reduced by 15,000 square feet, lowering estimated building cost to \$4 million.
- County : \$2 million
- Eco-Cycle and CRC pay amounts offered, and city pays the remainder:
  - Eco-Cycle: \$648,000
  - CRC: \$517,000
- City: remaining \$835,000.
- City bonds for its and nonprofits' contributions, and nonprofits pay back city through lease payments. City's portion of bond is paid back by current or increased Trash Tax.

Scenario 1B.	Contribution amount	Additional funding needed	Funding method	Payback amount and time
City	\$2.3 million annexation costs + \$835,000 building cost  = \$3.135 million	\$1 million annexation costs + \$835,000 building cost + \$648,000 + \$517,000 nonprofit loans  = \$3 million	Bond paid back by current or increased Trash Tax  ARRA funds	Trash tax \$248,000/yr. for 20 yrs.
County	\$2 million		Recycling Sales & Use Tax General fund	
Eco-Cycle	\$648,000		Loan from city	\$52,000/yr. to city for 20 yr lease
CRC	\$517,000		Loan from city	\$42,000/yr. to city for 20 yr lease
<b>Total project cost = \$6.3 million</b>				

Pros:

- Reduced building size lowers construction cost.
- Model green building is built, as envisioned by Master Plan for Waste Reduction.

Cons:

- Reduced building size may result in less material reuse and recycling than projected for proposed building size (see Scenarios 1C and 1D).
- If building were expanded later, it would be less economical than maximizing building size to begin with, due to economies of scale.
- Proposed annexation agreement imposes restrictions on commercial operations by Eco-Cycle at this site.
- Using current Trash Tax would delay future waste reduction programs.
- An increase to the Trash Tax may be undesirable in a poor economy.

**Scenario 1C: City funds about half of proposed building**

- Eco-Cycle and CRC pay amount offered for proposed \$5.4 million building (41,284 square feet):
  - Eco-Cycle: \$648,000
  - CRC: \$517,000
- County : \$2 million
- City: remaining \$2,235,000 or approximately 50 percent of the building cost.

- City bonds for its and nonprofits’ contributions, and nonprofits pay back city through lease payments. City’s portion of bond is paid back by current or increased Trash Tax.

Scenario 1C.	Contribution amount	Additional funding needed	Funding method	Payback amount and time
City	\$2.3 million annexation costs + \$2.235 million building cost  = \$4.535 million	\$1 million annexation costs + \$2.235 million building cost + \$648,000 + \$517,000 nonprofit loans = \$4.4 million	Bond paid back by current or increased Trash Tax  ARRA funds	Trash tax \$362,000/yr. for 20 yrs.
County	\$2 million		Recycling Sales & Use Tax General fund	
Eco-Cycle	\$648,000		Loan from city	\$52,000/yr. to city for 20 yr lease
CRC	\$517,000		Loan from city	\$42,000/yr. to city for 20 yr lease
<b>Total project costs = \$7.7 million</b>				

Pros:

- Proposed building is constructed, increasing waste diversion by 1 percent:
  - Expanded CHaRM operations is expected to double its contribution to 2008 waste diversion tonnage (an additional 565 tons per year), resulting in an estimated greenhouse gas emissions reduction of 362 mtCO2 per year.
  - Expanded ReSource operations is expected to increase its contribution to 2008 waste diversion tonnage by 50 percent (an additional 180 tons per year), resulting in an estimated greenhouse gas emissions reduction of 115 mtCO2 per year. (Greenhouse gas emissions reduction estimates are calculated using Climate Action Plan solid waste conversion factor: 0.614 mtCO2 per tons of trash.)

Cons:

- Proposed annexation agreement imposes restrictions on commercial operations by Eco-Cycle at this site.
- Using current Trash Tax would delay future waste reduction programs.
- An increase to the Trash Tax may be undesirable in a poor economy.

**Scenario 1D: City funds majority of proposed building**

- City pays for proposed \$5.4 million building (41,284 square feet), minus contribution from County. If County contributes \$2 million, then city pays \$3.4 million for building.
- City bonds for its portion, paid back by a current or increased Trash Tax.

Scenario ID.	Contribution amount	Additional funding needed	Funding method	Payback amount and time
City	\$2.3 million annexation costs + \$3.4 million building cost  = \$5.7 million	\$1 million annexation costs + \$3.4 million building cost  = \$4.4 million	Bond paid back by current or increased Trash Tax  ARRA funds	Trash tax \$362,000/yr. for 20 yrs.
County	\$2 million		Recycling Sales & Use Tax General fund	
Eco-Cycle	\$0 (rent only)			
CRC	\$0 (rent only)			
<b>Total project costs = \$7.7 million</b>				

Pros:

- Proposed building is constructed, increasing waste diversion by 1 percent:
  - Expanded CHaRM operations is expected to double its contribution to 2008 waste diversion tonnage (an additional 565 tons per year), resulting in an estimated greenhouse gas emissions reduction of 362 mtCO2 per year.
  - Expanded ReSource operations is expected to increase its contribution to 2008 waste diversion tonnage by 50 percent (an additional 180 tons per year), resulting in an estimated greenhouse gas emissions reduction of 115 mtCO2 per year. (Greenhouse gas emissions reduction estimates are calculated using Climate Action Plan solid waste conversion factor: 0.614 mtCO2 per tons of trash.)
- Nonprofits have more funds available for their programs.

Cons:

- Proposed annexation agreement imposes restrictions on commercial operations by Eco-Cycle at this site.
- Using current Trash Tax would delay future waste reduction programs.
- An increase to the Trash Tax may be undesirable in a poor economy.

**Scenario 2: City funds portion of alternative site**

- Total site costs are not known at this time. Costs will include purchase price and possibly improvements to the site, retrofit and/or expansion of existing buildings and/or annexation costs.

- City contributes in the range of \$2.3 million - \$5.7 million (ranging from amount of city commitment to Western Disposal annexation to amount in Scenario 1D).
- Eco-Cycle and the CRC contribute in the range of zero to \$648,000 and \$517,000, respectively (same amounts they proposed for brickyard site.)
- County contributes \$2 million.
- City uses the \$1 million already allocated to the four-acre brickyard site; for the remainder, depending on contribution amount, city uses an interfund loan (maximum loan \$1.8 million) or a bond, including loans to the nonprofits with a lease payback, paid back by current or increased Trash Tax.

<b>Scenario 2.</b>	<b>Contribution amount</b>	<b>Additional funding needed</b>	<b>Funding method</b>	<b>Payback amount and time</b>
City	\$2.3 - \$5.7 million	\$1.3* - \$4.7 million	Interfund loan or bond paid back by current or increased Trash Tax  ARRA funds	Trash tax: \$296,000/yr. for 5 yrs. – \$362,000/yr. for 20 yrs.
County	\$2 million		Recycling Sales & Use Tax General fund	
Eco-Cycle	\$0 - \$648,000		Funds in bank Fundraising Grants Loan from city	\$0 - \$52,000/yr. to city for 20 yr lease
CRC	\$0 - \$517,000		Fundraising Grants Loan from city	\$0 - \$42,000/yr. to city for 20 yr lease
<b>Estimated total project costs = \$5.3 - \$7.7 million</b>				

\* Differs from \$1 million additional funding needed for annexation cost in the brickyard scenarios (1A – 1D) because \$300,000 contribution from Parks and Recreation Department would not apply to alternative site.

**Pros:**

- An existing building may be retrofitted to suit Eco-Cycle’s and/or CRC’s needs, rather than constructing a new building.
- Reusing an existing building would acknowledge its embodied energy and resources and promote sustainable building practices.
- Site larger than the brickyard site would allow for expansion of waste reduction efforts.
- Site will not restrict Eco-Cycle’s commercial operations.

**Cons:**

- Costs are unclear at this time. Staff anticipates knowing more on May 19, 2009.
- Using current Trash Tax would delay future waste reduction programs.
- An increase to the Trash Tax may be undesirable in a poor economy.