

**CITY OF BOULDER  
CITY COUNCIL AGENDA ITEM**

**MEETING DATE: May 19, 2009**

**AGENDA TITLE:** Consideration of a motion to direct staff to further explore additional city funding for a Recycle Row site and/or building construction to relocate the Center for Resource Conservation's (CRC) ReSource facility and the Eco-Cycle office and its Center for Hard-to-Recycle Materials (CHaRM) facility.

**PRESENTER/S:**

Jane S. Brautigam, City Manager  
Stephanie A. Grainger, Deputy City Manager  
Ruth McHeyser, Executive Director of Community Planning  
David Driskell, Deputy Director of Community Planning  
Bob Eichen, Director of Finance  
Jonathan Koehn, Manager of Environmental Affairs  
Elizabeth Vasatka, Environmental Coordinator

**EXECUTIVE SUMMARY:**

The purpose of this agenda item is to request City Council direction on providing additional city funding for expansion of facilities that provide infrastructure to advance the city's waste reduction goals:

- ReSource, a used building material donation and sales yard run by the Center for Resource Conservation (CRC);
- Eco-Cycle offices, including space for their administration, waste reduction outreach and education, zero waste services and commercial hauling sales; and
- Center for Hard to Recycle Materials (CHaRM), the center for the collection and processing of hard-to-recycle materials.

Previous direction from council was to fund site grading, utility extension and roadway realignment for the four-acre brickyard site (see site plan in **Attachment E**) that would be conveyed to the city through the Western Disposal annexation agreement.<sup>1</sup> The

---

<sup>1</sup> See Agenda Item 5C for the Western Disposal annexation. Under the proposed agreement, the city has two options related to the four-acre parcel: 1) accept donation of the parcel for Recycle Row or other city uses in exchange for the city's funding roadway realignment, site grading and utility extension, estimated to cost approximately \$2.3 million; or 2) do not accept the donation and Western pays for the improvements. Special Transit is proposing to locate adjacent to the four-acre parcel and is not required to contribute to improvements in either option.

understanding at that time was that the nonprofits would be responsible for constructing buildings on this site. However, earlier this year, council requested that staff bring forward options in which the city (possibly in partnership with Boulder County) would also consider funding construction of the buildings. Before staff can address funding for these facilities, staff is requesting further direction on what level of funding council wants to explore.

Relocating the Eco-Cycle office and the CHaRM and ReSource facilities to a permanent location on the brickyard site has been a key part of the city's vision for the continued development of "Recycle Row." Until very recently, this site was the only option the city was considering. Based on discussions between city and County staff, alternative sites with expansion potential are being explored. The total costs of an alternative site, including purchase price and the cost of site and/or building improvements, potential building expansion and possibly annexation, have yet to be determined. In order to complete a comprehensive analysis, staff needs direction from council on its preferred funding level and source. Because it is premature to eliminate any site option at this time, staff will continue to analyze all options. Staff will return to council in July or August with more details and a recommendation on the most viable, cost-effective site.

At this time, staff estimates that the total cost for acquiring a site and buildings to relocate the Eco-Cycle office and CHaRM and ReSource facilities is likely to be within a range of \$3.8 million (Scenario 1A) to \$7.7 million (Scenario 1C and 1D), depending on whether a site is acquired through purchase or through the Western Disposal annexation, on the type and size of buildings, and on the site size and its potential for expansion. As a way to evaluate and compare how the cost could be shared among the city, County and the nonprofits for these different factors, staff has identified a range of potential scenarios with differing levels of funding by the city.

- **Scenarios 1A – 1D** reflect **options for the brickyard site**, ranging from minimal funding for limited construction (re-locating existing Eco-Cycle trailers and constructing small warehouses for CHaRM and ReSource) to significant funding of the proposed new buildings to jointly house the nonprofits.
- **Scenario 2** reflects the purchase of an alternative site larger than the brickyard site, possibly with an existing building(s).

The scenarios are summarized in the Funding Scenarios section of this memo. The cost-sharing amount for each party (the city, the County, Eco-Cycle and the CRC), the recommended funding method, the funding payback amount and timeframe, pros and cons, and the assumptions for each scenario are provided in the **Attachment A**.

The recommended funding source for the city's contribution in all scenarios is the Trash Tax, either at its current rate or an increased rate (See **Attachment C** for Trash Tax rate increase analysis.) Maintaining the current tax rate and cutting programs and/or personnel is an option council can consider. However, this would negatively impact the city's waste reduction efforts, so a tax increase is recommended. The scenarios indicate how much of an increase that would be needed to cover the city's contribution if an increase were supported. Raising the Trash Tax to the voter-approved maximum would generate an estimated \$600,000 per year additional revenue, but increasing to the

maximum is not recommended at this time. Potential city funding for the expanded Eco-Cycle/ CHaRM/ ReSource facilities should be considered within the larger context of future funding for city waste reduction efforts. A city contribution to the expanded facilities funded by the Trash Tax will leave less funding available for other waste reduction programs. Although other possible funding sources may exist, such as American Recovery and Reinvestment Act (AARA) funds, the Trash Tax is an assured source of revenue and could be increased by City Council to cover the costs of the desired funding level for the Eco-Cycle/ CHaRM/ ReSource facilities.

### **Questions for City Council**

Recognizing that staff will need to come back to council with final information and options before a site is acquired, staff is seeking direction from council at this time on the following questions:

- 1. Should the city commit to a partnership with Boulder County to secure a permanent site and funding for expanded Eco-Cycle/ CHaRM/ ReSource facilities?**
- 2. Should the city fund its share of costs by an increase in the Trash Tax to a level within voter-approved maximums?**
- 3. Does council support funding up to \$4.5 million<sup>2</sup> and the corresponding Trash Tax increase:**
  - **additional \$1.40 per month for the majority of residential trash customers and**
  - **\$0.11 per cubic yard per month for commercial customers**
  - **for duration of a 20-year bond?**

### **STAFF RECOMMENDATION:**

#### **Suggested Motion Language:**

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

Motion to direct staff to:

1. Work with the County to secure a permanent site and funding for expanded Eco-Cycle/ CHaRM/ ReSource facilities;
2. Assume the city will fund its share of costs by an increase in the Trash Tax to a level within voter-approved maximum;
3. Assume a city funding level of up to \$4.5 million with a corresponding Trash Tax increase for 20 years.

---

<sup>2</sup> exemplified by Scenario 1C and in the middle of the range represented in Scenario 2 (see Scenario Summary on page 8)

## **BACKGROUND:**

The executive directors of Eco-Cycle and the CRC have recently been meeting with City Council members and Boulder County commissioners to solicit city and County funding for proposed new buildings on the four-acre brickyard site. The construction cost is currently estimated to be \$5.4 million, including design, construction labor and materials, exterior site improvements, building permit and plant investment fees, and LEED (Leadership in Energy and Environmental Design) certification. (This is an update to the cost estimate provided in the Feb. 26, 2009 Weekly Information Packet on the Western Disposal Annexation Agreement and Recycle Row. **Attachment B** provides a breakdown of costs, including the updated costs provided by city Facilities and Asset Management staff. **Attachment E** provides the site plan.) Based on ongoing negotiations with Western Disposal, the city has planned and budgeted funding for the 63<sup>rd</sup> Street realignment and site grading and utility extension for the four-acre brickyard site<sup>3</sup>. The request for city and County financial assistance with the building cost is recent.

The County commissioners recently directed County staff to investigate existing sites before deciding on financial contributions to new facilities on the brickyard site. Currently, the County is exploring sites that are larger than the brickyard site and at least one has existing buildings that may be retrofitted to suit the needs of Eco-Cycle/CHaRM and ReSource.

Background on the following topics is provided in **Attachment F**:

- City's waste reduction goal and programs
- Waste reduction infrastructure needed to support waste reduction goal
- Recycle Row concept
- Trash Tax background
- City costs associated with proposed Western Disposal annexation
- Current city support for Eco-Cycle and the CRC.

The Master Plan for Waste Reduction is available online at:

[http://www.bouldercolorado.gov/files/EnvironmentalAffairs/WasteReduction/mpwr-february\\_2006-web\\_version.pdf](http://www.bouldercolorado.gov/files/EnvironmentalAffairs/WasteReduction/mpwr-february_2006-web_version.pdf)

## **COUNCIL FILTER IMPACTS:**

- Economic: The continued development of Recycle Row will provide economic benefits to Western Disposal, Eco-Cycle and the CRC, allowing them to expand and strategically plan for future business development. CHaRM employs 4.5 full-time employees and would likely add two employees at an expanded facility. ReSource employees 7.25 full-time employees and anticipates adding 4.25 full-time employees at an expanded facility.

---

<sup>3</sup> The city's costs under the draft agreement are \$2.3 million; \$1.3 million is currently set aside (including \$300,000 from the Parks and Recreation Department); another \$1 million was to have been funded by an interfund loan and paid back from Trash Tax revenue. See Agenda Item 5C for details.

- Environmental: The continued development of Recycle Row will expand the ability of County residents and businesses to reduce waste and recycle. Reducing the amount of solid waste going to the landfill conserves resources and reduces energy use, greenhouse gas emissions, and groundwater pollution.
- Social: Co-location of waste reduction facilities will offer County residents and businesses convenient and consolidated recycling facilities within the community.

### **OTHER IMPACTS:**

- Fiscal: The total city costs will depend upon council direction. The city has currently set aside \$1.3 million for development of the brickyard site (from Trash Tax revenue, remainder of an EPA grant, and the Parks and Recreation Department); the remaining costs are proposed to be covered by increasing the Trash Tax within the voter-approved limit. If an alternative site is selected, \$300,000 of the \$1.3 million set aside for the brickyard site by the Parks and Recreation Department will not be available. Upon annexation of the Western Disposal headquarters, the city will receive an estimated \$135,000 annually in sales and use tax revenue.
- Staff time: Three full-time staff positions are dedicated to waste reduction efforts. The Environmental Affairs work plan for 2009 and 2010 includes staff time for the development of Recycle Row. If the city is involved in construction management for new facilities, additional staff time in other departments will be required.

### **BOARD AND COMMISSION FEEDBACK:**

#### **Planning Board**

On March 5, 2009, Planning Board held a public hearing and made a recommendation on the proposed annexation of the Western Disposal annexation (see Agenda Item 5C). The board also reviewed and commented on the concept plan for the proposed Eco-Cycle office/ CHaRM/ ReSource facility on the four-acre brickyard site. At the time of board review, an alternative site was not under consideration. While the board supported relocating these facilities to the brickyard site, it suggested removing the interior loop road, increasing the amount and quality of publicly accessible open space (possibly by relocating the office building) and maximizing the aesthetics of the green roof. The board was not asked to make a recommendation on funding or issues related to the city's waste reduction goals. Meeting minutes are available at: [www.bouldercolorado.gov/files/march\\_5\\_2009\\_pb\\_minutes\\_final.pdf](http://www.bouldercolorado.gov/files/march_5_2009_pb_minutes_final.pdf).

#### **Environmental Advisory Board**

On May 6, 2009, the Environmental Advisory Board reviewed and discussed potential city funding options for the expanded Eco-Cycle/ CHaRM/ ReSource facilities. The board generally supported Scenario 2, the city's funding a portion of an alternative site; however, one board member was reluctant to endorse the alternative site because of the minimal information available on the site at the time of the board meeting. The board chose Scenario 1D with modifications as an alternate if Scenario 2 proves to be

infeasible. A letter from the board summarizing its discussion is provided in **Attachment I**.

## **ANALYSIS:**

### **Policy context**

The Master Plan for Waste Reduction advocates the development of Recycle Row and discusses fostering public-private partnerships. One of the plan's guiding principles is "create effective partnerships with for-profit and nonprofit organizations to expand services with minimal city investment." However, the plan does not provide specific direction on city participation in funding facilities for recycling services by nonprofits.

The Zero Waste Resolution calls upon the city to continue its environmental leadership by creating the economic and regulatory environment to achieve zero waste. City contribution to the proposed facilities would provide a unique municipal model for developing zero waste infrastructure.

The 1994 Trash Tax Ordinance enables the city to fund construction of "municipal recycling and composting facilities." If the city and/or the County owns the facilities and leases them to the nonprofits, the facilities may still be considered "municipal," in compliance with the ordinance language.

### **Funding to meet the zero waste goal**

The city's 85-percent waste reduction/ zero waste goal can be achieved through a combination of voluntary programs and regulatory measures and by ensuring that the infrastructure needed to support reuse and recycling activities is put in place. The city currently diverts 31 percent of its waste away from landfills. (See **Attachment G** community-wide diversion.) New single-stream recycling and curbside compost collection are expected to increase diversion by an additional 7 percent to 10 percent by the end of 2010. The Master Plan for Waste Reduction outlines Action Plan and Vision Plan programs to work toward the goal. Estimated costs for the programs are:

- Action Plan programs - \$400,000 per year (starting in 2010)
- Vision Plan programs - additional \$300,000 per year (starting in 2013).

To meet the goal, additional funding for new programs and infrastructure, including the expanded Eco-Cycle/ CHaRM/ ReSource facilities, will need to be provided by increasing the Trash Tax. At the maximum rate, the Trash Tax could generate an additional \$600,000 per year. Staff will reevaluate the current Trash Tax budget and present options to council. (See **Attachment H** for current and future waste reduction programs, costs and estimated diversion rates.)

### **Timing concern**

For the city and County to secure a permanent site for Eco-Cycle/ CHaRM/ ReSource, staff needs direction on collaboration efforts and funding levels and sources. Purchase negotiations for alternative sites are underway, so staff needs to know what level of funding the city should commit to. A decision by the city about funding is also needed as

soon as possible so that the CRC can proceed with planning ReSource's future location and facility. ReSource must move from its current location by Aug. 31, 2010, because it is located on land that Special Transit is under contract to purchase from Western Disposal (approximately six acres south of the brickyard parcel). (See Recycle Row map in **Attachment D**.) This timeline means that the CRC needs an indication of city contribution soon in order to know whether to proceed with their backup plan to develop a lesser facility (outlined in Scenario 1A). Furthermore, Special Transit has a \$5 million grant for building construction that must be spent by the end of 2010. Although they can submit for site review at any time, they have been reluctant to spend any more money until they understand whether the Western Disposal annexation will move forward in a manner that works for them. Additionally, Eco-Cycle and the CRC may need to fundraise for their share of costs; to do so, they need clear direction on what they will be expected to fund.

### **FUNDING SCENARIOS:**

#### **Scenarios for four-acre brickyard site and alternative site**

Staff developed five funding scenarios that are illustrative in nature and intended to be used as examples for council to provide direction on its preferred funding level and associated Trash Tax increase. Four scenarios are provided for the four-acre brickyard site (Scenarios 1A - 1D) and one scenario is provided for an alternative site (Scenario 2). Please review **Attachment A** for more details on the Scenario Summary table below.

All scenarios would provide permanent zero waste infrastructure, which would significantly advance the development of Recycle Row and increase the community's opportunity to help meet the zero waste goal. Additionally, in all scenarios, Eco-Cycle would vacate the city yards, allowing the city to use the land for other needs. Brickyard site costs are based on detailed engineering estimates; the costs for an alternative site are unknown and therefore are shown as a range.

**Attachment A** provides:

- Details for each scenario, including:
  - Estimated contribution amounts from the city, County, Eco-Cycle and CRC
  - Recommended funding method
  - Funding payback amount and timeframe, and
  - Pros and cons.
  
- Assumptions used for the funding scenarios, including:
  - Building ownership
  - Annual city payments to nonprofits
  - County contribution
  - Annexation agreement commitments
  - Trash Tax increase
  - Bonding
  - Brickyard site improvement costs
  - Proposed building reduced size/cost, and

- o Eco-Cycle and CRC contributions.

**Scenario summary**

The table below summarizes and compares the funding scenarios in terms of:

- Facility size,
- Total cost, cost to the city, and additional funding needed,
- Trash Tax rate increase description. (**Attachment C** details possible Trash Tax rate increases for businesses and for households at different trash service levels and resulting revenue increases.)

<b>Scenario Summary</b> (Details and assumptions in <b>Attachment A</b> )					
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)

\* Total cost to city for brickyard site scenarios (1A–1D) includes \$2.3 million for site grading and utility extension and 63<sup>rd</sup> Street realignment, in accordance with proposed Western Disposal annexation agreement. It does not include the value of the land, estimated at \$1.5- \$2 million, as the land is proposed to be dedicated to the city.

Trash Tax Rate Increase (see **Attachment C** for more detail):

**\*\*Moderate** is up to 100 percent increase per residential service level (additional \$1.10 per month for majority of trash customers) and \$0.06 per cubic yard per month increase for commercial; resulting in \$151,001 - \$289,240 additional annual revenue; and

**\*\*\*Significant** is a flat increase on all residential service levels up to an additional \$1.40 per month for majority of trash customers and \$0.11 per cubic yard per month increase for commercial, resulting in \$289,241 to \$411,270 additional annual revenue.

**NEXT STEPS:**

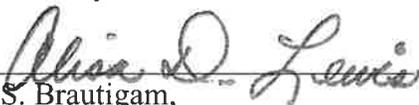
If City Council indicates support for funding a portion of the proposed building on the brickyard site or of the costs associated with an alternative site, staff will work with the County, Eco-Cycle and the CRC to explore the site options and develop a formal cost-sharing agreement and return to council with a site recommendation and proposed agreement for council review and approval in July or August. This agenda item will include a full analysis of Trash Tax budget options, including potential reallocations to existing programs. If council chooses to increase the Trash Tax, staff will also present tax increase options for council to consider. In the meantime, staff will keep council updated on any new information on alternative sites through the City Manager's updates.

In addition, many important details will need to be worked out with the County and nonprofits regarding:

- Repayment terms for any loans provided by the city;
- Building ownership, maintenance and liability; and
- Building lease terms and land lease terms.

It is the city's intent to keep the Western Disposal annexation on track and allow Special Transit to submit for site plan review at their convenience to ensure the dates for annexation does not hold up their process. The annexation is scheduled for first reading May 19 (see Agenda Item 5C) and for second reading at the June 4 meeting.

Approved By:

  
\_\_\_\_\_  
Jane S. Brautigam,  
City Manager

**ATTACHMENTS:**

- Attachment A: Funding scenario assumptions and details
- Attachment B: Building cost estimate
- Attachment C: Trash Tax rate increase analysis
- Attachment D: Recycle Row map
- Attachment E: Site plan
- Attachment F: Background

Attachment G: Community-wide diversion

Attachment H: Current and future waste reduction programs, costs and estimated diversion rates

Attachment I: Letter from Environmental Advisory Board

## Funding Scenario Assumptions and Details

### 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  = \$2.845 million	\$1 million annexation costs + \$545,000 site improvements  = \$1.545 million	Interfund loan paid back by current or increased Trash Tax	Trash Tax \$355,000/yr. for 5 yrs
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.

**Scenario 1B: City funds portion of reduced-size building**

- 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 1D.	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 mtCO<sub>2</sub> per year. (Greenhouse gas emissions reduction estimates are calculated using Climate Action Plan solid waste conversion factor: 0.614 mtCO<sub>2</sub> 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.

Scenario 2.	Contribution amount	Additional funding needed	Funding method	Payback amount and time
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.

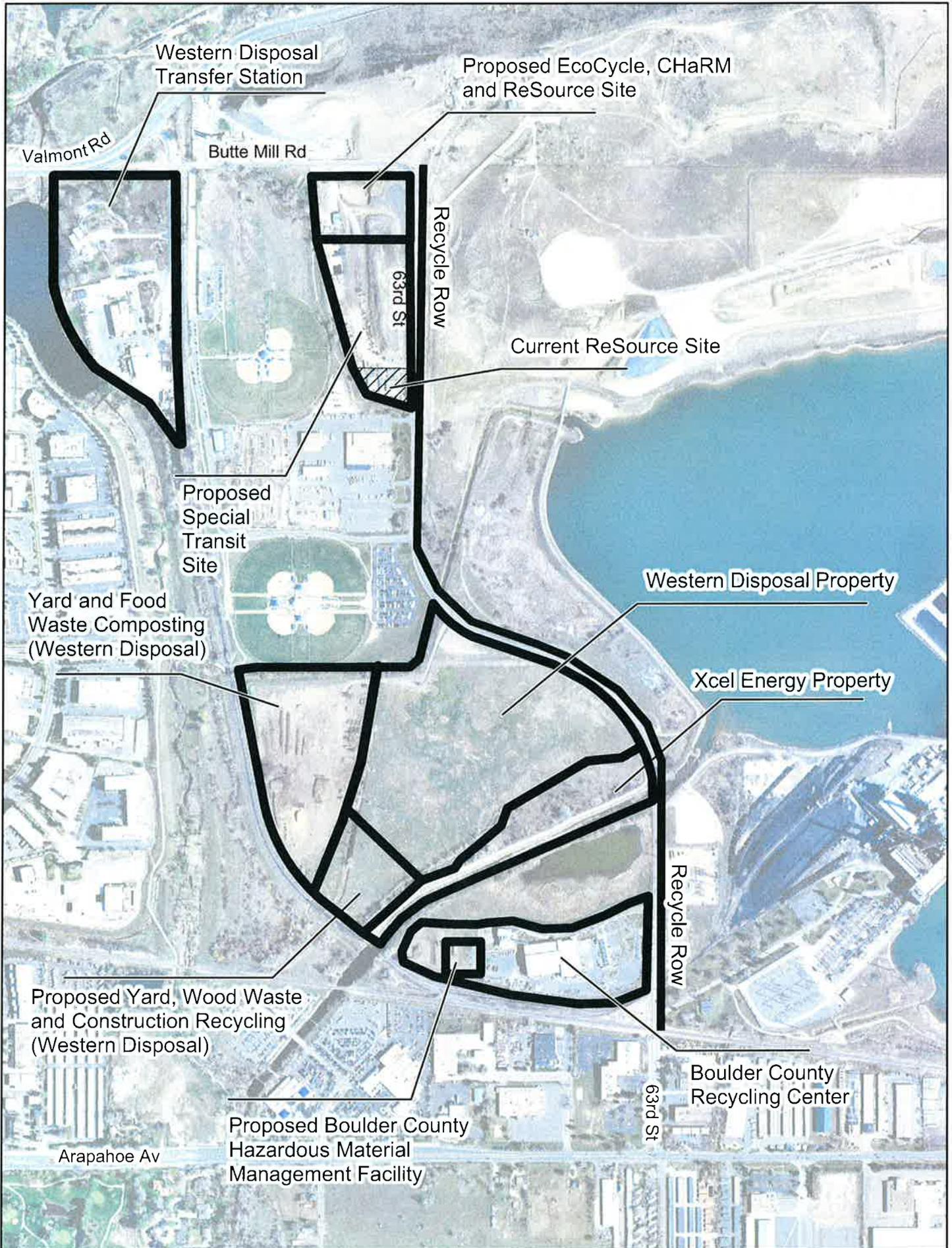
Cons:

- 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.

<b>Recycle Row Cost Estimate - Final DRAFT</b>			
<b>13-Mar-09</b>			
Architecture estimates are provided by Bryan Bowen Architects & Tres Birds Workshop 303-324-3622			
Facility estimates are provided by city of Boulder's Facility Asset Management 303-441-4125			
<b>Capital Construction</b>			
<b>CSI Division</b>	<b>Architect's Estimate</b>	<b>FAM Estimate</b>	<b>FAM Remarks</b>
01 General Requirements	\$ 50,500		
02 Existing Conditions	\$ 3,000		
03 Concrete	\$ 320,600		
04 Masonry	\$ 56,000		
05 Metals	\$ 839,300		
06 Wood, Plastics & Composites	\$ 149,000		
07 Thermal & Moisture Protection	\$ 490,000		
08 Openings	\$ 29,000		
09 Finishes	\$ 132,400		
10 Specialties (Elevator for office area)	\$ 45,000		
11 Equipment	\$ 12,000		
12 Furnishings	\$ 14,000		
13 Special Construction	\$ -		
21 Fire Suppression	\$ 125,200		
22 Plumbing	\$ 93,500		
23 HVAC	\$ 27,500		
26 Electrical	\$ 208,000		
27 Communications	\$ 10,900		
28 Electronic Safety & Security	\$ 6,000		
31 Earthwork	\$ 24,000		
32 Exterior Improvements	\$ 544,700		
33 Utilities	\$ 32,500		
CHaRM Warehouse Bldg.		\$ 1,449,300	\$76.68 / SF per Construction Permit SF Valuation Rates <sup>1</sup>
Eco-Cycle Office		\$ 752,200	\$131.97 / SF per Construction Permit SF Valuation Rates <sup>2</sup>
ReSource Warehouse Bldg.		\$ 1,279,300	\$76.68 / SF per Construction Permit SF Valuation Rates <sup>3</sup>
At least LEED Silver Certification		\$ 34,800	1% Hard Construction Costs
<b>Subtotal Hard Costs <sup>11</sup></b>	<b>\$ 3,213,100</b>	<b>\$ 3,515,600</b>	
Architecture (10% Hard Costs)	\$ 321,300	\$ 351,600	10% Hard Costs
General Contracting (15% Hard Costs)	\$ 481,900	\$ 527,300	15% Hard Costs
Construction Contingency (10% Hard Costs)	\$ 321,300	\$ 351,600	10% Hard Costs
Permit Fees, PIFs, and Taxes (see attached detail)		\$ 465,300	See Notes <sup>7,8,9,10</sup>
At least LEED Silver Certification		\$ 34,800	1% Construction Costs for registration, commissioning and other soft costs.
Project Management (FAM)		\$ 126,800	3% total project costs (less contractor O&P, Permit fees, PIFs & taxes, and LEED soft costs)
<b>Subtotal Soft Costs <sup>11</sup></b>	<b>\$ 1,124,500</b>	<b>\$ 1,857,400</b>	
<b>Capital Project Totals</b>	<b>\$ 4,337,600</b>	<b>\$ 5,373,000</b>	See Notes <sup>4,5,6,11</sup>
<b>Operations &amp; Maintenance <sup>12</sup></b>			
O&M CHaRM Warehouse		\$ 14,500	1% Hard Costs Annually <sup>1</sup>
O&M Eco-Cycle Offices		\$ 15,000	2% Hard Costs Annually <sup>2</sup>
O&M ReSource Warehouse		\$ 12,800	1% Hard Costs Annually <sup>3</sup>
Major Maintenance (all buildings)		\$ 35,500	1% total Hard Costs
Facility Renovation & Replacement (all buildings)		\$ 35,500	1% total Hard Costs
Utilities		\$ 83,200	\$2.00 / SF
Custodial		\$ 14,300	\$2.50 / SF Office Only
Property Management Fee		\$ 10,600	5% Annual Costs
<b>Grand Total Annual Costs</b>		<b>\$ 221,400</b>	
<b>Notes / Assumptions:</b>			
1. CHaRM Warehouse Bldg. is approx. 18,900 SF. Assume Building Use =F-2, Type of Construction = IV			
2. Eco-Cycle Office is approx. 5,700 SF. Assume Building Use =B, Type of Construction = IV			
3. ReSource Warehouse Bldg. is approx. 16,684 SF. Assume Building Use =F-2, Type of Construction = IV			
4. Costs above do not include land costs or costs associated with annexation. (all structures removed as part of annexation)			
5. Costs assume no environmental remediation or building demo is necessary.			
6. Assume property is located outside the 500 year floodplain (It is per latest mapping).			
7. Assume 4" fire sprinkler main to provide service to all buildings.			
8. Assume 1" Irrigation water main for irrigated area of 100,000 SF @ \$1.78 / SF			
9. Assume 2" Domestic water main to provide service to all buildings @ <183,000 Gal./yr. to calculate water & wastewater PIF fees.			
10. Assume storm PIF based on 20,800 SF area @ \$1.17 / SF			
11. Assume construction started in early 2010.			
12. Assume O&M costs for 2010 and are adjusted annually by changes in construction costs.			
13. FAM cost estimate prepared by Bill Boyes 303-441-4125			

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										
Estimated Residential service levels	% of trash tax service in 2008	% of trash tax service in 2009*	Customers/month	Customers/Quarters	Tax /month	Revenue /yr	Minimal			Moderate			Maximum			Significant	
							Increase residential rate 30% or to the \$3.50/ maximum (whichever is less); increase commercial rate to \$0.80/ cubic yard	\$ increase to customer rates	Revenue/yr	Increase residential rate 100% or to the \$3.50/month maximum (whichever is less); increase commercial rate to \$0.80 /cubic yard	\$ increase to customer rates	Revenue/yr	Increase all service levels to maximum \$3.50/month (residential) or \$0.85 cubic yard (commercial)	\$ increase to customer rates	Revenue/yr	Flat increase of \$1.00/month, (except for the 32 gal customers at \$1.40) plus sliding scale fee structure to encourage conservation/ recycling	Revenue/yr
<b>Residential</b>																	
Prepaid Bags	1%	3%	564	1,693	\$0.15	\$1,016	\$0.20	\$0.05	\$1,320	\$0.30	\$15	\$2,031	\$3.50	\$3.35	\$23,699	\$1.00/mo plus \$0.15	\$7,787
Every other week	n/a	9%	1,693	5,078	\$0.60	\$12,188	\$0.78	\$0.18	\$15,845	\$1.20	\$60	\$24,376	\$3.50	\$2.90	\$71,098	\$1.00/mo plus \$0.80	\$32,502
32 gallon/week (1 can)	50%	70%	13,166	39,499	\$1.10	\$173,794	\$1.43	\$0.33	\$225,932	\$2.20	\$1.10	\$347,588	\$3.50	\$2.40	\$552,981	\$1.40/mo plus \$1.10	\$394,987
64 gallon/week (2 cans)	33%	13%	2,445	7,335	\$2.50	\$73,355	\$3.25	\$0.75	\$95,361	\$3.50	\$1.00	\$102,697	\$3.50	\$1.00	\$102,697	\$1.00/mo plus \$2.50	\$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	already maxed \$3.50	\$39,499
<b>Residential baseline total:</b>	<b>100%</b>	<b>100%</b>	<b>16,809</b>	<b>56,427</b>		<b>\$299,851</b>			<b>\$377,957</b>			<b>\$516,191</b>			<b>\$789,974</b>		<b>\$577,471</b>
							<b>Additional residential revenue</b>		<b>\$78,106</b>	<b>Additional residential revenue</b>		<b>\$216,340</b>	<b>Additional residential revenue</b>		<b>\$490,122</b>	<b>Additional residential revenue</b>	<b>\$277,619</b>
<b>Commercial baseline total:</b>		<b>303,754</b>			<b>\$0.74</b>	<b>\$899,113</b>	<b>\$0.80</b>		<b>\$972,014</b>	<b>\$0.80</b>		<b>\$972,014</b>	<b>0.85</b>		<b>\$1,032,765</b>	<b>\$0.85</b>	<b>\$1,032,765</b>
							<b>Additional commercial revenue</b>		<b>\$72,901</b>	<b>Additional commercial revenue</b>		<b>\$72,901</b>	<b>Additional commercial revenue</b>		<b>\$133,652</b>	<b>Additional commercial revenue</b>	<b>\$133,652</b>
<b>Total:</b>						<b>\$1,198,965</b>	<b>Additional revenue</b>		<b>\$151,007</b>	<b>Additional revenue</b>		<b>\$289,241</b>	<b>Additional revenue</b>		<b>\$623,774</b>	<b>Additional revenue</b>	<b>\$411,271</b>
<b>Additional Trash Tax Revenue</b>									<b>\$1,349,971</b>			<b>\$1,488,206</b>			<b>\$1,822,739</b>		<b>\$1,610,236</b>
<b>Additional Trash Tax over 20 yrs.</b>									<b>\$3,020,140</b>			<b>\$5,784,820</b>			<b>\$12,475,480</b>		<b>\$8,225,420</b>

Minimal up to \$151,007  
 Moderate is \$151,008 - \$289,241  
 Significant is \$289,242 - \$411,271  
 Maximum is \$623,774



AGENDA ITEM # 5B

DATE: 03/14/2018  
 DRAWN BY: [Name]  
 CHECKED BY: [Name]  
 PROJECT: [Name]

**Recycle Row**  
 Center for Resource Conservation, Resource Yard  
 EcoCycle, ChARM Facility  
 6032 Butte Mill Road  
 Boulder, Colorado 80301

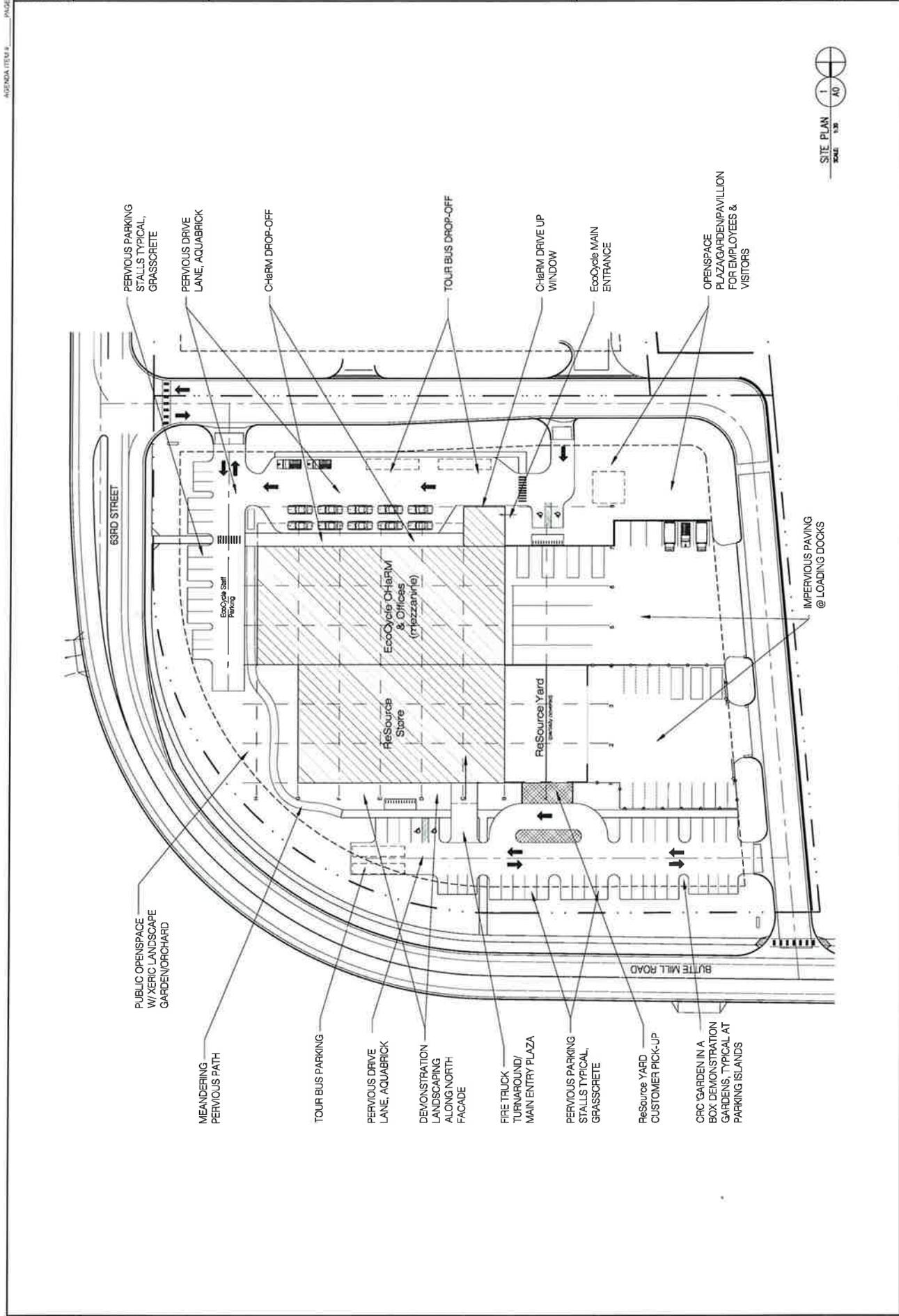
**eco-cycle**  
 www.ecocycle.com  
 303.443.2828

**ReSource Row**  
 www.resource.com  
 303.443.2828

**bryanhaworth architects**  
 1510 ZUMA AVENUE #100  
 BOULDER, CO 80501  
 303.443.2828  
 www.bryanhaworth.com

Date: 3.14.18  
 revision: 1.00

A0



## Background

### • Waste reduction goal and programs

In 2006 the City Council adopted the Master Plan for Waste Reduction and the Zero Waste Resolution, committing the city to pursue zero waste as a long-term goal. Zero waste essentially equates to 85 percent waste reduction. The Master Plan outlines paths for reducing city-wide waste by 60 percent by the end of 2007 under current funding (called the “Current Plan”), and by 70 percent by the end of 2012 if additional funding becomes available (“the Action Plan”). The Master Plan’s “Vision Plan” would start phasing in programs in 2012 to address persistent waste diversion barriers, with a goal of achieving 85 percent waste reduction by 2017.

Currently, citywide waste diversion is at 31 percent. (Waste diversion and waste reduction are synonymous; they both refer to precluding materials from going to the landfill through reuse, recycling or composting.) New single-stream recycling and curbside compost collection are expected to increase diversion by an additional 7 to 10 percent by the end of 2010. City Council last reviewed the city’s waste diversion rate at the Jan. 29, 2008 Study Session on the residential curbside compost program. The 39 percent diversion rate reported at that time was based on 2006 data, which included a large demolition and construction project at the University of Colorado. The project diverted 11,000 tons of waste, a significant portion of the total 53,289 tons diverted city-wide that year. **Attachment G** details the community-wide, residential and commercial waste diversion rates from 2005 through 2008.

City waste reduction programs help the community work toward the zero waste goal. The programs are funded by Trash Tax revenues (see Trash Tax section below) and are selected based on several criteria:

- maximize waste diversion,
- minimize program cost per ton of waste being diverted,
- meet public demand for waste diversion services, and
- provide high visibility for and education on reducing, reusing and recycling values and activities.

Different programs meet each of these criteria to a different extent, but together the programs create a comprehensive package aimed at meeting the city’s waste reduction goal. **Attachment H** details current and future waste reduction programs, their costs and the diversion rate each is estimated to achieve.

It is important to note that additional waste diversion occurs outside of city programs. For example, while current programs yielded an estimated 14 percent diversion in 2008, estimated overall community diversion was at 31 percent. The reason is that many diversion activities, such as residential curbside recycling, start as city programs but then are “spun-off” to private (usually trash haulers) or nonprofit enterprises (such as Eco-Cycle or the Center for ReSource Conservation). Some of these diversion efforts are not necessarily included in city program diversion rates.

- **Waste reduction infrastructure needed to support goal**

In addition to programs, the following facilities are needed to support the zero waste goal. These facilities are used by residents and businesses of the city of Boulder and Boulder County, which also has adopted a zero waste goal.

Existing facilities

- Boulder County Recycling Center
  - receives and processes standard recyclable materials from Boulder County residents and businesses
  - owned and operated by Boulder County
  - located in 63rd Street, built in 2001
  - construction was paid for by Boulder County Recycling Sales and Use Tax
  - operating funds come from sale of recyclable materials and Boulder County Recycling Sales and Use Tax Fund
- Household Hazardous Waste facility
  - receives and arranges for disposal of hazardous materials from Boulder County households
  - owned and operated by Boulder County
  - located on leased site at Western Disposal since 1998
  - funded by municipalities that are parties to the Intergovernmental Government Agreement with Boulder County (City and County of Broomfield, Boulder, Lafayette, Longmont, and Louisville, and the towns of Erie and Superior)
  - new facility planned (see below)
- Center for Hard-to-Recycle Materials (CHaRM)
  - receives and processes hard-to-recycle materials
  - operated by Eco-Cycle in partnership with city of Boulder
  - located on city municipal yards off Pearl Street since 2001
  - city of Boulder is contracted to pay up to 50 percent of operating costs, although Eco-Cycle has never billed more than 25 percent; remaining funding from sale of recyclable materials and user fees
  - new facility planned (see below)
- ReSource
  - receives and sells donated used building materials
  - owned and operated by the CRC
  - located on 63<sup>rd</sup> Street on land leased from Western Disposal since 1996
  - operating expenses covered by sales revenue
  - new facility planned (see below)
- Western Disposal compost facility
  - collects and processes residential and commercial compostable materials from their customers
  - owned and operated by Western Disposal
  - located on 63<sup>rd</sup> Street on Western Disposal site
  - sells processed compost

### Planned or needed facilities

- Expanded Hazardous Material Management facility
  - will receive and arrange disposal of hazardous materials from households and small businesses from eight participating municipalities (listed below)
  - construction and on-going operations proposed to be jointly funded by city of Boulder, Boulder County, City and County of Broomfield, towns of Erie and Superior, and cities of Lafayette, Louisville and Longmont
  - planned to be built in 2009 west of the Boulder County Recycling Center
  
- Expanded CHaRM
  - proposed to relocate to a larger, permanent location
  
- Expanded ReSource
  - proposed to relocate to a larger, permanent location with covered storage
  
- Community-wide compost facility
  - proposed to accept residential and commercial compostable materials and potentially bio-wastes from all haulers
  - proposed to be funded and/or owned by the city and/or Boulder County or private company
  - operating costs to be covered by tipping fees and sale of compost product
  
- Construction and demolition (C&D) materials facility
  - proposed to receive mixed construction waste and separate out the recyclable materials
  - three or more acres needed for the collection and processes of materials
  - proposed to be funded and/or owned by the city and/or Boulder County or private company
  - operating costs to be covered by tipping fees and sale of materials

### • **Recycle Row**

Recycle Row was envisioned to be a one-mile section of 63<sup>rd</sup> Street between Arapahoe and Valmont roads, where most of the zero waste infrastructure described above would be co-located. The Master Plan for Waste Reduction identifies Recycle Row as a key component in upgrading recycling operations and expanding waste reduction services beyond traditional recyclables. It is envisioned as a “one-stop shop” for Boulder residents and businesses to meet their waste reuse and recycling needs. The current facilities consist of: the Boulder County Recycling Center; the household hazardous waste drop-off; the city and County’s yard waste and wood waste drop-offs; Western Disposal’s compost facility and transfer station and the ReSource yard.

Plans for further development of Recycle Row include potentially relocating the Eco-Cycle office and CHaRM from the city municipal yards and ReSource to a new, permanent location. The County’s new hazardous material management building is also planned for Recycle Row. **Attachment D** provides a map of Recycle Row.

- **Trash Tax**

The Trash Tax was approved by City Council in 1989 to fund curbside recycling. It is imposed on residential and commercial trash customers and collected by trash haulers, who then pass the revenues on to the city. The tax has been raised three times and now funds a host of waste reduction programs, as well as personnel expenses. The approach for expending Trash Tax revenues has always been to support new programs that address critical components of the waste stream but that are not self-supporting or profitable ventures. Once a program grows to the point where it's viable as a private business or nonprofit operation, Trash Tax funding is gradually withdrawn.

A 1994 ballot measure raised the Trash Tax and established maximum tax rates of \$3.50 per month for residential customers and \$0.85 per cubic yard for commercial customers. Since then the tax has been raised two more times to fund waste reduction efforts.

- **City costs associated with proposed Western Disposal annexation**

Through the Western Disposal annexation agreement process, it's been negotiated that the city has the option to acquire the four-acre brickyard site as a part of its community benefit requirement. The plan for this site has been to relocate the Eco-Cycle office and CHaRM and ReSource facilities.

In the proposed annexation agreement if the city accepts the four-acre brickyard site the obligation would be to pay for the re-alignment of 63<sup>rd</sup> Street and site development costs, including extension of utilities to the site and site grading, in order to make the site "construction ready" for new facilities. The cost of these obligations is estimated to be \$2.3 million. Environmental Affairs and the Parks and Recreation Department have been allocating funds for this to the Capital Improvement Program budget over the past several years. (The Parks and Recreation Department contributed approximately \$300,000 because Stazio Ballfields fronts onto 63<sup>rd</sup> Street.) Current available funding totals \$1.3 million. The \$1 million difference could be funded by an interfund loan or included in a bond. The assumption has been that the Trash Tax would pay back the loan or the bond. These two funding methods are further described in the Funding Scenarios Assumptions, **Attachment A**.

- **Current city support for Eco-Cycle and the CRC**

The city provides financial support to Eco-Cycle and the CRC, as they help the community to reduce, reuse and recycle, which advances the city's waste reduction goal. In 2008, the city invested Trash Tax revenue, EPA grants and other funds to Eco-Cycle and the CRC for the following purposes:

Eco-Cycle:

- \$96,000 (annual service contract payment from Trash Tax revenue) for operation of CHaRM and Eco-Cycle administration;
- \$35,000 (annual payment from Trash Tax revenue) for recycling outreach and education, including Eco-Cycle Times and Boulder Valley School District programs; and
- \$40,000 (one-time payment from city EPA grant\*) for a study on dry-sorting technology.

Total: \$171,000

CRC:

- \$25,000 (annual payment from Trash Tax revenue) for Recycle Boulder Hotline, education, and CRC administration;
- \$15,000 (annual payment from Trash Tax revenue) for site visits by ReSource deconstruction professional with building permit applicants who are subject to deconstruction mandates dictated by Green Points;
- \$13,000 (one-time payment from city EPA grant\*) for ReSource operational improvements; and
- \$80,000 (annual payment from Climate Action Plan tax) for energy audits and \$32,700 (annual payment from Water Conservation Office) water conservation programs.

Total: \$165,700

Recycle Row:

- \$4,000 (one-time payment from city EPA grant\*) for traffic study and transportation planning
- \$52,000 (one-time payment from city EPA grant\*) for architectural services

Total: \$56,000

Total annual city payments for both nonprofits and Recycle Row in 2008: \$283,700

Total one-time city payments for both nonprofits and Recycle Row in 2008: \$109,000

\* In 2006 the city received a federal earmark administered by the 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 explore new technologies for CHaRM and ReSource, with the understanding that the city would reimburse them for these investments over the course of several years. The city is using the remaining \$200,000 of the EPA grant for on-going site planning and engineering on the site for ReSource and CHaRM.

As stated above, Eco-Cycle and the CRC help advance the city's waste reduction goals. The CHaRM and ReSource programs currently contribute an estimated 1 percent to overall citywide waste diversion. Expanded CHaRM and ReSource operations are estimated to divert an additional 1 percent by 2011. Both ReSource and CHaRM are highly visible to the public and provide waste reduction education. ReSource also is instrumental in supporting the city's Green Points program deconstruction mandates.

**City of Boulder  
Community-wide diversion**

<b>City of Boulder Waste Diversion Numbers</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Community-wide</b>				
Recycling	33659	47038	35366	31092
Organics	5726	6251	8439	7512
Trash	77704	83293	95932	87607
Tons of Materials <b>Generated:</b>	117089	136582	139737	126211
Tons of Material <b>Diverted:</b>	39,385	53,289	43,805	38,604
<b>Community-wide diversion Rate</b>	<b>34%</b>	<b>39%</b>	<b>31%</b>	<b>31%</b>
<b>Residential</b>				
Recycling	12275	15703	14062	11185
Organics	2856	3292	4216	3722
Trash	26377	28712	29252	28,675
Tons of Materials <b>Generated:</b>	41508	47707	47530	43582
Tons of Material <b>Diverted:</b>	15131	18995	18278	14907
<b>Residential Diversion Rate:</b>	<b>36%</b>	<b>40%</b>	<b>38%</b>	<b>34%</b>
<b>Commercial</b>				
Recycling	21384	31335	21304	19,907
Organics	2870	2959	4223	3,790
Trash	51327	54581	66680	58,932
Tons of Materials <b>Generated:</b>	75581	88875	92207	82629
Tons of Materials <b>Diverted:</b>	24,254	34,294	25,527	23,697
<b>Commercial Diversion Rate:</b>	<b>32%</b>	<b>39%</b>	<b>28%</b>	<b>29%</b>

## Waste Reduction Program Costs - DRAFT

2008					2009			
Current Programs	Total cost	% of diversion	Estimated diversion (tons)	Cost per ton	Total cost	Estimated % of diversion	Estimated diversion (tons)	Cost per ton
<b>Residential</b>								
<b>Programs</b>								
Spring Clean-up	\$303,317	2.02%	1,768	\$172	\$0	0.00%	N/A	N/A
Fall Leaf Drop-off	\$33,608	0.35%	303	\$111	\$0	0.00%	N/A	N/A
Yard Waste Drop-off	\$86,968	5.07%	4,440	\$20	\$96,185	5.57%	5,000	\$19
Christmas Tree Drop-off	\$4,849	0.11%	94	\$52	\$4,687	0.09%	84	\$56
<b>Education</b>								
Center for Resource Conservation Ed.	\$24,860	N/A	N/A	N/A	\$14,344	N/A	N/A	N/A
Eco-Cycle Education	\$20,628	N/A	N/A	N/A	\$21,382	N/A	N/A	N/A
Eco-Cycle/Bldr. Valley School District Ed.	\$20,757	N/A	N/A	N/A	\$21,344	N/A	N/A	N/A
University of CO Green Teams	\$9,853	N/A	N/A	N/A	\$13,885	N/A	N/A	N/A
General Recycling Ed.	\$20,625	N/A	N/A	N/A	\$4,142	N/A	N/A	N/A
Public Place Recycling	\$9,850	N/A	N/A	N/A	\$64,062	N/A	N/A	N/A
Boulder County Compost Ed./ bin sales	\$6,038	N/A	N/A	N/A	\$687	N/A	N/A	N/A
Growing Gardens Compost Ed./ tours	\$8,520	N/A	N/A	N/A	\$5,749	N/A	N/A	N/A
Kitchen compost bin & bag rebates	\$7,496	N/A	N/A	N/A	\$31,872	N/A	N/A	N/A
Farmer's Market Outreach	\$2,660	N/A	N/A	N/A	\$6,298	N/A	N/A	N/A
Curbside Recycling/Compost Ed.	\$29,759	N/A	N/A	N/A	\$63,973	10.00%	8,980	N/A
<b>Total Residential:</b>	<b>\$589,789</b>	<b>7.54%</b>	<b>6,605</b>	<b>\$89</b>	<b>\$348,608</b>	<b>15.66%</b>	<b>14,063</b>	<b>\$25</b>
<b>Commercial</b>								
<b>Programs</b>								
City Office Recycling (COR)	\$19,227	0.18%	157	\$122	N/A	N/A	N/A	N/A
City of Boulder Zero Waste /COR	\$17,713	0.00%	N/A	N/A	\$155,259	0.23%	204	\$761
Wood Waste Drop-off	\$31,388	1.14%	998	\$31	\$31,702	1.12%	1,008	\$31
<b>Commercial incentive programs</b>								
Compost rebate	\$37,029	3.92%	3,436	\$11	\$38,820	4.02%	3608	\$11
Compostable foodware rebate	\$959	0.04%	36	\$27	\$7,421	0.60%	540	\$14
Recycling coupon	\$836	0.01%	5	\$155	\$1,284	0.01%	5	\$238
Special Events	\$709	N/A	N/A	N/A	\$10,921	0.00%	0.7	\$15,602
<b>Education</b>								
Construction & Demolition Study	\$7,500	N/A	N/A	N/A	\$0	N/A	N/A	N/A
Partners for A Clean Environment	\$1,417	N/A	N/A	N/A	\$3,421	N/A	N/A	N/A
<b>Total Commercial:</b>	<b>\$116,776</b>	<b>5.29%</b>	<b>4,632</b>	<b>\$25</b>	<b>\$248,829</b>	<b>5.98%</b>	<b>5366</b>	<b>\$46</b>
<b>Community-wide</b>								
Recycle Row	\$245,663	N/A	N/A	N/A	\$190,280	N/A	N/A	N/A
Center for Hard-to-Recycle Materials	\$105,570	0.64%	562	\$188	\$140,129	0.76%	680	\$206
ReSource Services/Ed	\$16,552	0.41%	360	\$46	\$19,151	0.41%	364	\$53
Household Hazardous Waste	\$17,319	0.24%	212	\$82	\$5,929	0.24%	216	\$27
<b>Total Community-wide:</b>	<b>\$385,103</b>	<b>1.29%</b>	<b>1134</b>	<b>\$339</b>	<b>\$355,489</b>	<b>1.40%</b>	<b>1260</b>	<b>\$282</b>
<b>Personnel/Administration</b>								
Environ. Affairs Personnel (2.3 FTE)	\$178,606				\$206,954			
Waste Reduction Program Manager	\$21,726				\$23,120			
Envir. Affairs Administration	\$25,456				\$16,000			
<b>Total Personnel/Adminin:</b>	<b>\$225,788</b>				<b>\$246,074</b>			
<b>TOTALS:</b>	<b>\$1,317,456</b>	<b>14.12%</b>	<b>12,372</b>	<b>\$106</b>	<b>\$1,199,000</b>	<b>23.063%</b>	<b>20,689</b>	<b>\$58</b>
<b>Total Trash Tax Revenue:</b>	<b>\$1,317,456</b>				<b>\$1,199,000</b>			

Waste Reduction Program Costs - DRAFT				
Action Plan Programs	Annual estimated Cost	Annual estimated % of diversion	Annual estimated diversion (tons)	Annual Estimated Cost per ton
<b>Residential</b>				
<b>Programs</b>				
Plastic Bag Charge/Ban	\$1,260	0.10%	92	\$14
Multi-family unit Volunteer Network	\$840	0.10%	92	\$9
Minimum multi-family unit recycling requirement	\$2,240	3.00%	2761	\$1
Public Place Recycling	\$61,120	0.10%	92	\$664
More aggressive Pay-As-You-Throw legislation	\$3,360	4.00%	3682	\$1
<b>Education</b>				
Recycling Market Dev.	\$3,640	N/A	N/A	N/A
Recycling challenges in Home Owners' Associations	\$2,240	N/A	N/A	N/A
Require local compost mix for new housing projects	\$2,240	N/A	N/A	N/A
<b>Total Residential:</b>	<b>\$76,940</b>	<b>7.30%</b>	<b>6,719</b>	<b>\$11</b>
<b>Commercial</b>				
<b>Programs</b>				
Implement and expand commercial assistance programs				
Expand compostable foodware rebate to all businesses	\$7,560	0.78%	720	\$11
Develop compost infrastructure rebate	\$13,060	0.65%	600	\$22
Develop Hard-to-Recycle material management rebate	\$7,440	0.03%	30	\$248
Zero Waste Audit subsidy	\$4,440	0.13%	120	\$37
Special Events	\$5,190	0.00%	1	\$4,943
Product Stewardship reward/incentive	\$6,810	0.10%	96	\$71
Non-traditional market development assistance	\$5,560	N/A	N/A	N/A
Mini grants for construction & demolition haulers/businesses	\$7,920	0.15%	140	\$57
<b>Subtotal:</b>	<b>\$57,980</b>			
Ban e-scrap (Residential & Commercial)	\$12,680	1.00%	920	\$14
<b>Complementary Programs</b>				
Develop Commercial Waste Exchange	\$23,240	1.00%	920	\$25
Encourage recycling/compost collection service sharing	\$2,560	0.1%	120	\$21
Recycling requirements in rental properties lease	\$1,440	0.07%	60	\$24
Require recycling plans during construction phase of commercial buildings	\$4,800	0.67%	614	\$8
Require use of local compost in city contracts	\$1,440	N/A	N/A	N/A
Small scale pilot projects to test new programs	\$2,560	0.2%	200	\$13
<b>Education</b>				
Enhance recycling marketing in community	\$6,280	N/A	N/A	N/A
Conduct a Service Void Analysis study	\$50,000	N/A	N/A	N/A
Electronic waste fine	\$16,500	N/A	N/A	N/A
Promote or give incentives for thrift stores	\$2,820	N/A	N/A	N/A
<b>Total Commercial:</b>	<b>\$182,300</b>	<b>4.93%</b>	<b>4,542</b>	<b>\$40</b>
<b>Community-wide</b>				
<b>Recycle Row</b>				
Expanded Center For Hard-To-Recycle Materials	\$140,000	0.9%	823	\$170
Expanded ReSource	\$15,000	0.4%	368	\$41
Hazardous Materials Management	\$1,800	0.25%	232	\$8
<b>Total community-wide:</b>	<b>\$156,800</b>	<b>1.55%</b>	<b>1,422</b>	<b>\$110</b>
<b>TOTALS:</b>	<b>\$416,040</b>	<b>13.78%</b>	<b>12,683</b>	<b>\$33</b>
Existing Trash Tax funding (2009 revenues):	\$1,199,000			
Total Action Plan Trash Tax Funding Needed:	\$416,040			
<b>Total estimated funding needed to reach the goal:</b>	<b>\$1,615,040</b>			

## Waste Reduction Program Costs - DRAFT

Vision Plan Programs	Annual Estimated Cost	Annual Estimated % of Diversion	Annual Estimated Diversion (tons)	Annual Estimated Cost per ton
<b>Residential</b>				
Pet Waste diversion	\$6,764	1.0%	991	\$7
Subsidize compost to residents	\$73,620	N/A	N/A	N/A
Reusable container promotion	\$9,480	2.0%	1,982	\$5
Municipal Solid Waste-to-Energy facility				
<b>Total Residential:</b>	<b>\$89,864</b>	<b>3.0%</b>	<b>2,974</b>	<b>\$30</b>
<b>Commercial</b>				
<b>Programs</b>				
Legislate a commercial Zero Waste goal	\$11,200	0.5%	500	\$22
Construction & Demolition recycling bond	\$8,750	0.3%	300	\$29
Increase or rebate Trash Tax for commercial businesses	\$8,500	3.0%	2,974	\$3
Institute a commercial source-separation ordinance	\$15,000	10.0%	9,912	\$2
<b>Complementary Programs</b>				
Local producer "take back" laws	\$5,250	N/A	N/A	N/A
Require compostable take-out containers	\$2,800	0.2%	240	\$12
Require businesses to prepare Zero Waste plans	\$10,500	0.12%	120	\$88
Require mandatory recycling language in commercial leases	\$4,200	0.08%	80	\$53
In-store de-packaging requirements/point of purchase recycling	\$5,250	0.08%	80	\$66
<b>Total Commercial:</b>	<b>\$71,450</b>	<b>14.3%</b>	<b>14,206</b>	<b>\$5</b>
<b>Community-wide</b>				
<b>Recycle Row</b>				
Expanded Center For Hard-To-Recycle Materials	\$150,000	1.7%	1,646	\$91
Expanded ReSource	\$20,000	0.6%	552	\$36
Hazardous Materials Management	\$1,800	0.3%	263	\$7
<b>Total Community-wide:</b>	<b>\$171,800</b>	<b>2.5%</b>	<b>2,461</b>	<b>\$70</b>
<b>TOTALS:</b>	<b>\$333,114</b>	<b>19.8%</b>	<b>19,640</b>	<b>\$17</b>
Existing Trash Tax funding (2009 revenues):	\$1,199,000			
Total Action Plan Trash Tax Funding Needed:	\$416,040			
Total Vision Plan Trash Tax Funding Needed:	\$333,114			
<b>Total estimated funding needed to reach the goal:</b>	<b>\$1,948,154</b>			

**Environmental Advisory Board's Recommendations on Recycle Row:  
Site location and Funding Mechanisms  
May 8, 2009**

- The EAB is very enthusiastic about the implementation of Recycle Row, and see it as a fulfillment of an important community value. Because markets are not solving our recycling, reducing and waste diversion challenges, we need community investment in reaching these sustainability goals.
- While there are multiple needs in reaching Boulder's zero waste goals, getting key infrastructure in place is a key building block in reaching these goals. The city has before it a time-sensitive opportunity that it should seize.
- In evaluating the options before us, we make the following observations:
  - Our ultimate goal should be to optimize waste diversion to achieve zero waste goals.
  - We should choose the most cost-effective option so we can continue to invest much of the trash tax in programs to increase waste diversion.
  - Recycle Row presents an important opportunity to produce real show-case facility for public education, which will be a major component of this facility.
  - The City should encourage use of ARRA funds if at all possible for this effort.
  - We are concerned about economic vulnerability of ReSource because of the timing constraints on its existing lease; because ReSource cannot afford to move twice, we need to factor that into our solution.
- Based on the information available to us on 5/6/09, the EAB is endorsing Scenario 2 because:
  - Scenario 2 appears (with current information) to have a lower cost per acre, even if city puts in same amount of money as it would under Scenario 1D;
  - Potential for a larger site provides more opportunities for expansion and additional programs (e.g., Construction & Demolition facilities);
  - the County also prefers Scenario 2 and thus seems more willing to spend money on this scenario; and
  - we would rather see the city's money going towards retrofitting/constructing the necessary facilities than re-engineering the curve on 63<sup>rd</sup> Street that would be necessary for annexing the brickyard site.
- Regarding building a new state-of-the-art green building on the brickyard site versus retrofitting and expanding existing buildings on an alternative site, we are excited about the opportunity to build a cutting-edge show-case facility. However, ultimately we recognized the value of using the embodied energy in the existing buildings on the other site, and hope that any building expansion on that site can embody the green attributes and creativity from the architect's plans for the brickyard site.
- Whatever scenario you pursue, however, we recommend that money from the non-profits (i.e., Center for ReSource Conservation and Eco-Cycle) go towards waste reduction and education programs rather than retrofitting and constructing buildings.

We therefore recommend a hybrid form of spending as outline in Scenario 1D: specifically, any money from non-profits should be paid back in leases (rather than upfront) and should be tied to the profitability of the non-profit (i.e., so if the entity is not making a profit, then they don't pay that month). This approach has merit because while the ReSource program is currently making a profit from resale of waste that is diverted, the Eco-Cycle program is currently losing money because of market conditions.

- Although we are concerned about increasing taxes during these tough times, the costs envisioned for either Scenario 1D or 2 (i.e., “minimal” and “moderate” increases) is a very modest per household, and provides a direct service to these rate payers.
- Finally, in order for the city to reach its zero waste goals, we urge the Council and staff to explore an explicit path to that goal, including exploring the usefulness of maximizing the trash tax and developing and implement necessary regulatory requirements.