



# AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING  
Meeting Date: June 4, 2013

Agenda Item 8-A  
Approvals:  
City Manager [Signature]  
Dept. Head [Signature]  
Attorney \_\_\_\_\_  
Finance JV

**Department:** Public Works / Engineering  
**Prepared By:** Tom Bonigut, Assistant City Engineer OB

**Subject:** **GRANADA TRASH ENCLOSURE – COST RECOVERY STRATEGY.**

**Fiscal Impact:** Possibly, depending on City Council direction on whether or not to charge a fee to use the new trash enclosure. If so, this action would result in revenue to the Solid Waste Fund but the amount would depend on the actual participation.

**Summary:** The subject trash enclosure has been completed and the City Council approved the Notice of Completion at its last meeting. Before potentially interested nearby businesses can be transitioned to use of the enclosure, staff needs final direction on whether or not impose a one-time “participation fee” for use of the enclosure.

**Background:** Municipal Code Section 8.28.040 limits the time that solid waste and recycling collection containers may be placed for collection<sup>1</sup> and at all other times requires that containers be placed upon a customer’s property so as not to be visible from any public street or alley. The Municipal Code allows the Public Works Director to grant exemptions to this storage requirement for factors that make it physically impossible to satisfy the storage requirement (e.g. physical layout or topography of the customer’s property) or where the cost to comply would exceed \$500.

Many of the businesses along the alley between Del Mar and Granada have exemptions to this storage requirement, which has resulted in a number of containers that are permanently placed/stored along the edge of the alley. To improve the aesthetics in this alley, the City Council directed construction of a trash enclosure in the City-owned Granada parking lot so that nearby businesses would have an option to comply with City requirements. This project was intended as a pilot project that might serve as a model for similar efforts along other alleys.

**Discussion:** Now that the enclosure is completed, the next key step is to formally notify nearby businesses (i.e. those that “back up” to the alley between Del Mar and Granada, and the City’s Granada parking lot) that the City has rescinded their exemptions of the container screening requirement. The notice would provide a timeframe (e.g. 60 days) in which businesses would need to screen or store trash barrels so these are not visible from the alley or streets. If a business chose to pursue its own screening project, it would need to coordinate with Planning Division for a possible Minor Cultural Heritage Permit or waiver thereof (since the area is in the T-Zone

<sup>1</sup> Containers may not be placed earlier than 5:00 p.m. on the day prior to the scheduled collection day, and must be removed within 24 hours after collection has been made.

Architectural Overlay Zone). The notice would also inform business owners that they could use the new enclosure constructed by the City upon agreeing to a simple use agreement (e.g. to make clear certain requirements such as no hazardous waste, etc.) and by paying a "participation fee" if the City Council requires such a fee.

To make use of the new City enclosure, a participating business would continue to maintain its existing account and service level with CR&R, therefore there would not be any changes to a businesses' monthly charge from CR&R. The only change would be that instead of containers stored outside, the business would place trash and recyclables in the dumpsters located in the new enclosure. As for a participation fee, the City Council previously expressed its desire to have businesses help fund about \$15,000 of the cost of constructing the new enclosure. To do so there are two basic approaches as described below.

#### *Option 1 – Proportional Cost Allocation*

Under this approach, the \$15,000 cost recovery target would be allocated among the participating businesses based on their proportional use as determined from their current solid waste collection service level. This results in a fee per business ranging from about \$700 to \$7,500. However, it is unlikely that the full \$15,000 would be recovered, because some businesses would likely pursue methods on their own to comply with screening requirements, especially the businesses that would be subject to the higher fee amounts. In addition to a very high participation fee for businesses that generate more trash than others, the proportional approach would become somewhat problematic because of businesses turn over. This would require staff to survey each business' trash generation to calculate a new proportional share to charge the new participating business. Over time this would result in a disproportionate participation fee because the existing participating businesses would have already paid a fee based on a previous and higher proportion.

#### *Option 2 – Flat Fee*

Another approach would be to establish a "flat fee" of \$500 that would be charged once at the time any interested business wished to start using the new enclosure. The \$500 amount is based on the threshold in the existing Municipal Code at which a business could be granted an exemption of the screening requirements. This provides a basis to similarly cap the participation fee at \$500. Of course, a different fixed fee amount could be set. If all of the currently "eligible" businesses chose to use the enclosure with a \$500 fee, then \$3,500 would initially be collected.

At a coordination meeting with the Downtown Business Association in October 2012, the members presented agreed that participating businesses should help pay for the cost of the enclosure. However, in staff's subsequent discussions with businesses owners, most business owners indicated that they would not be interested in using the new enclosure if they had to pay an up-front fee, while some said they would consider it if the cost was low. That said, once the existing exemptions are rescinded, businesses will either need to develop their own solution for screening/storage, or use the new enclosure at whatever participation fee Council directs. Failure to properly screen solid waste/recycling containers once ti.

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exemption is rescinded would result in progressive monetary fines (\$100, \$200 and then \$500 for each subsequent violation).

The City Council could also consider not requiring a fee at all. If the Council still desires to have participating businesses help defray the cost of the new enclosure, then staff recommends a flat participation fee of \$500 since this aligns with the current Municipal Code exemption threshold.

**Recommended**

**Action:**

STAFF RECOMMENDS THAT the City Council provide direction on whether or not require a one-time fee for use of the new trash enclosure and if so, confirm the fee amount.

**Attachments:** None.

**Notification:** Nearby businesses.

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