TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: PUBLIC WORKS
DATE: FEBRUARY 14, 2005 CMR:125:05

SUBJECT: PROPOSAL TO ADD TWO ADDITIONAL ENVIRONMENTAL SERVICES CENTER ALTERNATIVES (AN 8-ACRE FACILITY AND A 13.7-ACRE FACILITY) FOR CONSIDERATION IN AWARD OF CONTRACT WITH EIP ASSOCIATES FOR AN ENVIRONMENTAL IMPACT REPORT AND COST BENEFIT ANALYSIS FOR A TOTAL NOT TO EXCEED AMOUNT OF $466,407

RECOMMENDATION
Staff recommends that Council:

1. Review two additional alternatives to the Environmental Services Center (ESC) project to be considered in the Environmental Impact Report (EIR) to be prepared by EIP Associates.

2. Approve and authorize the Mayor to execute the attached agreement with EIP Associates, in an amount not to exceed $405,571 for basic services to prepare an EIR and Cost Benefit Analysis for the various facility options of the proposed ESC.

3. Authorize the City Manager or his designee to negotiate and authorize EIP Associates to perform additional services related to preparation of the EIR and Cost Benefit Analysis, the total value of which shall not exceed 15 percent of the basic services contract amount ($60,836).

BACKGROUND
On November 15, 2004, staff presented information on the Environmental Services Center to Council. (The information can be obtained by contacting the Public Works Department.) Staff has proposed that an ESC facility be built at the landfill after it is closed. However, there has been much debate over whether or not it is an appropriate use of the land, the number of acres that would be needed for a facility, and which services should be included as part of a facility. This is especially true given the fact that the site considered for the ESC is to be used as parkland once the landfill is closed.

DISCUSSION
Because of the concern over the 19 acres originally proposed by staff for the ESC facility, staff has tried to determine what modifications, if any, would reduce the total acreage required for the project. Staff is proposing two additional alternatives (Attachment A) for an ESC facility be studied as part of the proposed EIR.
The two new alternatives that are being proposed in addition to the already proposed 19-acre, 6.2-acre and no project alternatives are an 8-acre facility (Alternative 1) and a 13.7-acre facility (Alternative 2). The differences between the 8-acre, 13.7 acre and the original 19-acre facility are:

1. Generation and Flare: The Council on December 13, 2004 approved an agreement with WPI Packaging and Maintenance, Inc. to end the operation of the landfill gas electrical generation facility (CMR:516:04). That facility occupies 2.25 acres of the landfill and included a flare to burn landfill gas. The flare would need to stay at its present location in the park in Alternatives 1 and 2. In the 19-acre facility, staff would keep the 2.25 acres available for future use as a generation facility, potential relocation of flare station and/or demonstration area for the proposed education center.

2. Bin Storage: The 1.25 acres used by the present waste hauler, Palo Alto Sanitation Company (PASCO), would not be available in Alternatives 1 and 2 and PASCO would need to find an off-site location for bin storage. This would result in increased costs that would affect rates.

3. Composting: The 7.5 acre facility would be reduced to 1.75 acres in Alternative 1. All compostable materials would be chipped and then shipped offsite for either further processing or final use. In both the 19-acre facility and Alternative 2 composting would still occur on site. Staff believes keeping composting on site would provide more control over final use of the material, would provide revenue to the City and would allow for compost give away events to residents. In fiscal year 2004, approximately 1,250 residents utilized the compost give away events.

4. Inert Solids: The 2.2 acres would be reduced to 1.5 acres in Alternatives 1 and 2. Staff believes that providing space for asphalt and concrete products on site will provide a convenient location for residents to take the materials and ensure that recycling of the materials occur. If these materials are not accepted, there is less hope that they will be taken to a recycling facility.

5. Roads, setbacks, landscaping, etc—The 3.08 acre area would be reduced to 2 acres since the facility would be smaller and would require fewer perimeter roads, setbacks and landscaping.

These two proposed alternatives respond to concerns about the amount of future parkland that would need to be used to build an ESC yet would still allow for solid waste services to occur in Palo Alto.

**RESOURCE IMPACT**

The original agreement with EIP Associates was for a total of $441,909 with $368,257 for basic services and $73,652 for additional services. After discussions with EIP Associates about reviewing two more alternatives in both the EIR and cost benefit analysis, they indicated there would be additional charges for the basic services. Because of this change, staff has refined the scope of work and will reduce the additional services related to the EIR and cost benefit analysis. The new agreement is for a total not to exceed amount of $466,407 with $405,571 for basic services and $60,836 for additional services (Attachment B).
POLICY IMPLICATIONS
As indicated at a previous Council meeting (CMR:176:04), if Council approves any of the ESC options, a change to the land-use designation of parkland would be required. This would involve voter approval to undedicate parkland as required by City Charter.

ENVIRONMENTAL IMPACT
Environmental review will occur as part of the proposed EIR.

ATTACHMENTS
Attachment A: ESC Site Alternatives Table
Attachment B: Revised contract with EIP Associates including revised Scope of Work and Approach

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