TO: HONORABLE CITY COUNCIL
ATTN: FINANCE COMMITTEE

FROM: CITY MANAGER                  DEPARTMENT: PUBLIC WORKS

DATE: MARCH 19, 2002               CMR:187:02

SUBJECT: STATUS REPORT ON PROCESS AND SCHEDULE TO DEVELOP THE ENVIRONMENTAL SERVICES CENTER

REPORT IN BRIEF
This report is an informational report that provides a background on the proposed project to build an Environmental Services Center (ESC) at Byxbee Park and responds to questions raised at the July 17, 2001 Finance Committee Meeting (Attachment A) regarding the proposed project.

This report also includes the preliminary work plan necessary to begin the project. An initial study is currently in process that will identify environmental concerns and necessary mitigation measures. Staff will then meet with Planning and Transportation and the Parks and Recreation Commissions to obtain input as to appropriateness of land-use designations and the compatibility of the project to the Baylands Master Plan and Comprehensive Plan and the potential impacts to the parkland. Concurrently, staff will return to Council for approval for revisions to the Baylands Master Plan and will request a modification of the landfill closure plan from the State. Staff will then begin design of the ESC which will include obtaining input from the Public Arts Commission. Phase I construction is anticipated for May 2004.

The Refuse Fund will provide financing of the project, either through debt service or increased revenues. Options will be presented to Finance Committee and Council later this year.
BACKGROUND
The City owns and operates a 137-acre municipal solid waste landfill, 126 acres of which are permitted for waste disposal. The landfill includes a compost facility, a recycling drop-off/processing center and an inert solids storage area located within the property boundary. The existing compost facility and the inert solids storage area are currently located within the interior of the landfill and the recycling drop-off/processing center is located at the landfill entrance. Approximately 76 acres of the 126-acre area permitted for refuse filling has undergone final closure with approximately 50 acres yet to be filled or closed. After the entire landfill is filled and undergoes final closure, the Baylands Master Plan provides for re-establishing the Recycling Center on the landfill footprint. Three events will significantly impact Palo Alto’s solid waste disposal in the future. They are:

- Palo Alto recently revised its landfill closure plan. New calculations in the closure plan indicate the landfill will reach capacity by August 2011.

- Palo Alto’s Memorandum of Understanding (MOU) with Sunnyvale and Mountain View to use the Sunnyvale Material Recovery and Transfer (SMaRT) Station will terminate on October 15, 2021 (if the parties cannot agree on an extension). Extension of the MOU and continued operation of the SMaRT station are at the sole discretion of Sunnyvale.

- Palo Alto’s agreement with Waste Management to use Kirby Canyon Landfill will terminate on October 7, 2021. At that time, the City will have the option to extend the term for an additional 10 years.

Given the need to plan for these future events, City staff has been investigating options to expand solid waste services beyond what was previously envisioned in the Baylands Master Plan by developing and constructing an Environmental Services Center (ESC), an integrated, multi-functional, solid-waste facility. The proposed ESC will be developed in phases after final closure of the landfill. Phasing would allow the City to defer construction costs, increase solid waste management options, complete the landfill closure, and construct the ESC, without an interruption in service to the public.

Some of the long-term benefits and solutions to future solid waste needs secured by the ESC project would be:

- To provide City residents, City workers and commercial enterprises with a convenient and cost-effective location to drop off their solid, hazardous wastes and recyclable materials in anticipation of the closure of the Palo Alto landfill in 2011;

- To provide to the City control over its long-term integrated solid waste management alternatives, particularly to take advantage of cost savings options under the SMaRT Station and Kirby Canyon Landfill agreements;
• To enable the City to continue to provide a place for and expand the existing waste management and recycling facilities so that increased diversion from landfilling can take place, in accordance with state mandates (AB 939), Comprehensive Plan policies and the sustainability goals of the City; and

• To provide a permanent household hazardous waste (HHW) facility in accordance with state mandates and Comprehensive Plan policies.

In 2001, the City contracted with Bryan A. Stirrat & Associates, Inc. to develop grading plan options at the landfill that would accommodate the proposed ESC while losing minimal waste fill airspace. The City estimates that a 16.75-acre pad is required to house a full service ESC with individual facility sizes as shown below. The original intended post-closure land use calls for the landfill area to be converted to a passive park with an area of 3.5-acres that would consist of a small recycling drop-off center, parking, and other existing facilities (landfill gas co-generation plant and storm water de-watering bays), located at the northern border of the landfill. Staff anticipates that the ESC would require revisions of the Baylands Master Plan to authorize changes to the park’s configuration. It should be noted that the expansion of the ESC will not result in any loss of trails or other park functions, it will just be a reconfiguration.

The proposed individual ESC facility would include:

<table>
<thead>
<tr>
<th>Facility Type</th>
<th>Existing Size</th>
<th>Proposed Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composting facility</td>
<td>7.5 acres</td>
<td>7.5 acres</td>
</tr>
<tr>
<td>Inert storage area (ISA)</td>
<td>1.5 acre</td>
<td>2.2 acres</td>
</tr>
<tr>
<td>PASCO bin storage area (BSA)</td>
<td>1.25 acre</td>
<td>1.25 acres</td>
</tr>
<tr>
<td>Material Recovery Facility/Transfer Station (MRF/TS)</td>
<td>1.1 acre</td>
<td>1.58 acres</td>
</tr>
<tr>
<td>Public drop-off/Recycling Center (RC)</td>
<td>.5 acre</td>
<td>.5 acre</td>
</tr>
<tr>
<td>Household Hazardous Waste Facility (HHWF)</td>
<td>N/A</td>
<td>.64 acre</td>
</tr>
</tbody>
</table>

| Total acres of ESC:                                | 3.25 acres    | 3.08 acres    |

The proposed individual ESC facility components are:

• The proposed RC and MRF/TS will both be housed in a single, prefabricated metal building with a floor area of approximately 75,000 square feet with building heights up to 50 feet (10 feet below the maximum landfill contour height of 60 feet). Roll-up doors will allow vehicular access to the interior of the MRF/TS portion of the building, where PASCO, commercial and residential self-haul vehicles will unload their materials for separating, sorting and processing for load-out. The waste transfer
area will contain loading facilities and scales designed to accommodate large capacity transfer trailers.

- The curbside recyclables collection vehicle receiving area is located in the RC portion of the building. Contract haulers will back their vehicles into the building and unload segregated curbside collected materials onto the floor for feeding into compactors and recyclables processing lines. Public drop-off bins with direct vehicle access will be located adjacent to the RC and MRF/TS building. Hazardous recycled wastes such as household and automotive batteries, motor oil, oil filters, cathode ray tubes (CRT’s) and antifreeze will also be accepted at the RC portion of the facility (seven days per week).

- The HHW facility building will be a 2,400 square-foot permanent drop-off facility with canopy for collection, packaging and short term storage of household hazardous waste and Conditionally Exempt Small Quantity Generator (CESQG) waste. This is a fenced and gated enclosure containing a small building with a canopy, several parking spaces and hazardous waste storage lockers. This permanent facility will replace the existing temporary operation currently open one-day per month. The permanent HHW facility will be open three mornings a week.

- The IS storage facility, which accepts concrete and demolition debris for off-site recycling, will occupy approximately 2.2 acres on the southwest portion of the site, and is adjacent to the 1.25-acre PASCO bin storage area.

- The composting facility consists of windrows, finished unscreened compost piles, finished screened compost piles, a paved processing area, and a paved green waste processing area on approximately 7.5 acres on the easterly portion of the site.

- A visitors/interpretive center will be located at the main MRF/TS building and will provide an area for the public to gain a better understanding of solid waste activities and will offer educational tours of the facilities. This educational component of the project is important, as it will provide an on-site visual transformation from landfill to park. It also will serve as a reminder to everyone who visits about how individual actions with regard to waste generation can make a difference.

The existing landfill gas electrical generating plant and the vacuum truck storm drain de-watering bays, both located at the northwest corner of the landfill, are anticipated to remain intact. These two areas are approximately 2.25 acres and will be included within the ESC perimeter fence. There are no plans to change these facilities at the present time.

DISCUSSION
At the Finance Committee meeting on July 17, 2001, many issues were identified related to the Los Altos Treatment Plant (LATP) site and the ESC (Attachment B). This report responds to questions related to the ESC only, as the Committee asked staff to keep the
two projects on a separate track. The Committee also recommended that staff review the ESC project with the Planning and Transportation, Parks and Recreation and Public Arts Commissions. The issues relevant to each commission are described in the Next Steps section of this report.

Committee Questions
Will building an ESC at Byxbee Park require a change in land-use designation? If a land-use change is necessary, will it require a vote of the people?

No change in land-use designation is required at this time, although a revised park improvement ordinance will be needed. The land use designation is Public Park. The Comprehensive Plan definition for public park allows active recreation whose character is essentially urban. It also allows non-indigenous plantings and landscaping. Title 22 of the Municipal Code (specifically 22.08.020), specifies Byxbee Park as land reserved for park, playground, recreation or conservation purposes. The ESC has been considered a conservation activity and therefore consistent with the Comprehensive Plan and Municipal Code. The ESC was approved by council in a previous park improvement ordinance. The original intended post-closure land use calls for the landfill area to be converted to a passive park with an area of 3.5-acres that would consist of a small recycling drop-off center, parking, and other existing facilities (landfill gas co-generation plant and storm water de-watering bays), located at the northern border of the landfill. The ESC facility is an expansion of the recycling center identified in the Baylands Master Plan and the Byxbee Landfill Park Conversion Plan in December 1980 which was updated in June 1991.

What are the impacts to wildlife if the ESC is built? Does the Bay Conservation and Development Commission (BCDC) have any restrictions?

The environmental impacts will be addressed in the initial. However, at this time, it does not appear that the BCDC will need to be involved.

What are the contractual obligations to the SMaRT station?

As indicated above, under two separate concurrent agreements, the City is contractually obligated to send approximately 2/3 of the waste generated in Palo Alto to the SMaRT Station and to Kirby Canyon Landfill until 2021. Building the ESC will allow the City to continue to provide all current services at one, convenient location for residents, and an alternative to transferring/transporting waste to Sunnyvale. This will provide further leverage for Palo Alto in negotiating with both SMaRT and Kirby Canyon for disposal space and also reducing the future costs of refuse services.

What about Palo Alto’s obligations to Waste Management Inc./Palo Alto Sanitation Company (WMI/PASCO) in providing them a new facility or upgrading the current Geng Road site?
No contractual obligation exists between the City and WMI/PASCO to provide a new facility, however, staff has met with WMI/PASCO and asked it to determine future facility needs and whether or not those needs could be accommodated at the Geng Road site. A preliminary, conceptual design has been received by staff from WMI/PASCO; no formal proposal has been provided. Determination as to funding the changes will be negotiated once the design is finalized.

**RESOURCE IMPACTS**

**Costs**
The project will be financed by the Refuse Fund either through revenues or debt service. Funds are currently available in the Refuse Fund Budget to fund the environmental studies, CEQA process and preliminary designs.

Staff has not yet determined the specific details of how financing of the construction of the ESC will be accomplished. Options will be studied and presented to Finance Committee and Council.

**Benefits**
Increasing the acreage that remains open for refuse services means that the Refuse Fund would also increase the rent payments to the General Fund by nearly $2 million per year. As indicated in the 1999 study, it is less expensive for the City to build an ESC than to take its waste to SMaRT. Once the agreement with SMaRT ends in 2021, Palo Alto will be in a better position to negotiate disposal options.

**POLICY IMPLICATIONS**
The project is consistent with the following City Comprehensive Plan goal, policies and programs:

**Goal N-7:** Reduced Volumes of Solid Waste; Solid Waste disposed in an environmentally safe, efficient, manner.

**Policy N-34:** Reduce the amount of waste disposed in the City’s landfill by reducing the amount of waste generated and promoting the cost-effective reuse of materials that would otherwise be placed in a landfill.

**Policy N-36:** Encourage the use of reusable, returnable, recyclable, and repairable goods through incentives, educational displays and activities, and City purchasing policies and practices.

**Policy N-37:** Ensure the environmentally sound disposal of solid waste.
Program N-52: Improve City composting practices and continue promoting the household hazardous waste program.

Program N-53: Continue to develop cost-effective source separation programs for recyclable solid waste materials for residential and commercial customers.

Program N-54: Continue to develop long-term solid waste management programs that include safe and environmentally sound disposal methods such as the SMaRT Station.

Program N-55: Maintain and expand the use of the Recycling Center at the City’s refuse disposal area.

The project is also consistent with the Master Plan for Byxbee Park, which anticipated the continuation and future expansion of the existing recycling operations on the site.

**NEXT STEPS**

In anticipation of the landfill closure in 2011, staff is planning to have the major portion of the ESC constructed by mid-year 2010. Because 2/3 of Palo Alto’s waste stream will continue to go to the SMaRT Station and Kirby Canyon until 2021, a reduced size transfer station/MRF will be built first (in approximately ten years) which will accept the waste not going to the SMaRT Station. The reduced-sized facility will not increase traffic and activity until 2021, at which time a full-size transfer station/MRF could be proposed. A preliminary time line has been developed to assist staff in noting major milestone dates (Attachment C). Staff will return to Council at various stages throughout the process.

- Planning and Transportation Commission review (e.g. appropriateness of current land-use designations in light of the proposed ESC, compatibility to the Baylands Master Plan and Comprehensive Plan, review of environmental documentation, transportation issues related to the project, potential impacts related to WMI/PASCO moving to the ESC site) (May 2002)

- Parks and Recreation Commission reviews compatibility of the ESC to the Baylands Master Plan, review of environmental documentation, and potential impacts on parkland (July 2002)

- Public Arts Commission to review building design and environmental documentation (September 2002)

- Finance Committee review of commission and public comments, approve in concept revisions to the Baylands Master Plan and landfill closure plan and review outline of financing options (December 2002)
RFP for Baylands Master Plan and landfill closure plan revisions issued (February 2003)

Council approval of contracts for plan revisions (April 2003)

Parks and Recreation Commission approval of revised Master Plan (September 2003)

Council approval of revised Master Plan (November 2003)

Plan submitted to California Integrated Waste Management Board to modify the closure plan of landfill (July 2003)

Public Arts Commission approval of design (March 2004)

Award contract for design of the ESC (May 2004)

ARB approval of design (January 2005)

Planning and Transportation approval of design (March 2005)

Council approval of design (May 2005)

Phase I construction begins which includes relocating compost facility and construction of scale, entrance road, HHW, recycling center, paving and drainage

ENVIRONMENTAL REVIEW
Environmental review for the ESC will be determined after the initial study is completed and reviewed by City of Palo Alto Planning staff.

ATTACHMENTS
Attachment A: CMR:297:01
Attachment B: Finance Committee meeting minutes from July 17, 2001
Attachment C: Proposed Timeline for ESC Construction