

## STAFF REPORT

### IN CONSIDERATION OF ORDINANCE NO. 17-1415, FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 5.04 TO CREATE THE SOLID WASTE INVESTMENT AND INNOVATION PROGRAM

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Adoption of Ordinance No. 17-1415 will amend Metro Code Chapter 5.04 (Recycling Business Assistance Program) to revise and replace language to allow the administration of the Solid Waste Innovation and Investment Program.

## BACKGROUND

Metro has authority and responsibility to plan, manage and oversee the regional solid waste system. The functions of this system are implemented by Metro, cities and counties, and many private for-profit businesses and non-profit organizations. This sharing of responsibilities means that Metro has a strong interest in the success of the private sector at meeting system needs to create, expand, preserve and broaden efforts that advance waste prevention, reuse, recycling and energy recovery.

The Solid Waste Innovation and Investment Program that would be implemented through this ordinance would support this interest through the granting of funds to businesses and non-profit organizations. The timing of the program reflects continued requests for assistance from private entities over the last couple of years and a recognition that the system is in flux because many of the local options for reuse, recycling, and energy recovery from waste are concentrated in a few markets and disruptions to these markets may have significant impacts to waste reduction efforts in the greater Portland area. Last spring, the Metro Council asked Property and Environmental Services staff to propose a program through which Metro could invest in the solid waste industry to help strengthen the system and support new ideas and technologies to help achieve greater reuse and recycling of waste.

Metro staff presented a concept of the Innovation and Investment Program at the Metro Council work session held on October 31, 2017. This ordinance will establish the structure of the program.

If this ordinance is adopted by Council, staff will return to a Council work session in early 2018 to solicit Council input on program guidelines that would include:

- A public process for proposal applications
- A description of the criteria used to evaluate proposals
- A process for the review and approval or denial of proposals
- A process to inform the Council of program funding decisions.

The intent of the program guidelines will be to enable Metro to select projects for award that best meet the objective to create, expand, preserve, and broaden efforts that advance waste prevention, reuse, recycling and energy recovery, consistent with Metro's Regional Waste Plan and Metro's diversity, equity, and inclusion goals. The Regional Waste Plan means both the current 2008-2018 Regional Solid Waste Management Plan (RSWMP) and successor plans.

It is the Chief Operating Officer's (COO) intent to administer this program as a pilot project for three years, after which the COO would evaluate the program and ask Council whether to continue it.

## **ANALYSIS/INFORMATION**

### **1. Known Opposition**

A relatively small number of representatives of solid waste companies have expressed strong concerns about the program to Metro staff and/or Councilors. These concerns have primarily focused on how the Metro will administer the program in terms of the award criteria that would be used and how diversity, equity and inclusion considerations would be factored into Metro's decision-making. Some believe that Metro has already selected to whom it will award grants based on which industry representatives spoke to staff and Councilors as staff developed the program.

### **2. Legal Antecedents**

Metro Charter and Metro Code, including without limitation Metro Code Chapter 5.04.

### **3. Anticipated Effects**

Approval of this ordinance would amend Metro Code Chapter 5.04 as provided in Exhibit A.

### **4. Budget Impacts**

If implemented, this project will award up to \$3 million per year from the Solid Waste Reserve fund. The COO will request this funding, as well as funds for a 1.0 full-time equivalent employee to administer the program, through the budget and budget amendment processes.

## **RECOMMENDED ACTION**

Staff recommends that Council adopt Ordinance No. 17-1415.