

IN CONSIDERATION OF RESOLUTION NO. 20-5146, FOR THE PURPOSE OF AUTHORIZING THE CHIEF OPERATING OFFICER TO PURCHASE PROPERTY FOR FUTURE DEVELOPMENT OF A METRO RECYCLING AND SOLID WASTE TRANSFER CENTER

Date: Jan. 25, 2021

Department: Waste Prevention and Environmental Services

Meeting Date: Feb. 4, 2021

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Length: 10 minutes

ISSUE STATEMENT

In 2019, the Metro Council and Waste Prevention and Environmental Services (WPES) staff discussed potential Metro infrastructure investments to improve and modernize the regional solid waste system, and to support more equitable distribution of services in the western part of the region.

On October 9, 2019, the Metro Chief Operating Officer executed a Purchase and Sale Agreement for certain property located in Cornelius, Oregon, providing Metro with the opportunity to conduct due diligence to determine the suitability of the property for the future development of a Metro recycling and solid waste transfer facility.

Based on extensive community engagement and property investigation work conducted over the last 18 month period, staff has determined that the Cornelius property is suitable for future development. Staff's determination is based on:

- The potential facility's grounding in the 2030 Regional Waste Plan and how land acquisition and future development relate to other potential and planned Metro policies and investments.
- The suitability and cost of the Cornelius property.
- The input received from a substantial community engagement effort undertaken over the last year.

Council further directed that, prior to implementation of actions to design and develop the property, staff engage the Council in discussions of: (1) the services to be provided at a potential facility; (2) the projected costs of developing and operating this facility; (3) the relationship of those costs to others associated with implementing the 2030 Regional Waste Plan; and (4) the relationship of services to be provided at a potential facility to policies such as allocations of wet waste to private transfer stations.

In accordance with the Metro Code, and as a condition precedent to Metro's obligation to purchase the property under terms of the Purchase and Sale Agreement, the Metro Council

must approve the acquisition and authorize the Chief Operating Officer to close on the purchase of the Cornelius Property.

Metro's option to purchase the Cornelius property under the terms of its Purchase and Sale Agreement with the owner expires on Feb. 9, 2021.

ACTION REQUESTED

Council vote on Resolution No. 20-5146 authorizing the Chief Operating Officer to purchase certain real property for future development of a Metro Recycling and Solid Waste Transfer Center.

IDENTIFIED POLICY OUTCOMES

The policy outcomes resulting from purchasing the Cornelius property tie primarily to the following goals in the 2030 Regional Waste Plan, which serves as the greater Portland area's blueprint for investing in our garbage and recycling system, reducing the environmental and health impacts of products that end up in this system, and advancing progress towards Metro's racial equity objectives:

Goal 10: Provide regionally consistent services for garbage, recyclables and other priority materials that meet the needs of all users.

Goal 16: Maintain a system of facilities, from smaller recycling drop-off depots to larger full-service stations, to ensure equitable distribution of, and access to, services.

Action 16.5 Evaluate the feasibility of establishing a publicly owned facility in Washington County to accept and transfer garbage, recycling, food scraps, household hazardous waste and other materials.

STAFF RECOMMENDATION

Approve Resolution 20-5146 authorizing Metro's Chief Operating Office to purchase property for future development of a Metro Recycling and Solid Waste Transfer Center.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Through its role in planning, managing and overseeing the regional garbage and recycling system, Metro seeks to meet the needs of a growing population in western Washington County by evaluating whether to build a public multi-use modern transfer center to manage some combination of services such as transfer of garbage and recyclables, collection and management of household hazardous waste and more. This facility could also provide community services like waste reduction education, public meeting space for groups such as Master Recyclers and Environmental Promoters, and public art from reused materials.

The Metro Council adopted the *2030 Regional Waste Plan – Equity, Health and the Environment* in March 2019 after more than two years of extensive and collaborative community engagement work. The plan contains a comprehensive set of goals and actions intended to ensure that the garbage and recycling system would contribute to Metro meeting its six desired regional outcomes and fulfilling *Metro’s Strategic Plan to Advance Racial Equity, Diversity and Inclusion*. As noted above, one action focuses on determining whether to establish a publicly-owned garbage transfer facility in Washington County. Metro has found that efforts to invest in such new garbage and recycling infrastructure – whether to provide commercial garbage services or public services, such as self-haul, hazardous waste and recyclable collection – have been constrained by the availability of locating property that could meet the need for such a facility. Acquisition of this property helps to significantly lower barriers to potential future investment and development.

The inclusion of this action reflected strong input from local governments and community members in the western part of the county that such a facility was needed to provide garbage and recycling services to which residents and businesses didn’t have reasonable access, and to address high disposal rates charged by private facilities in the area.

Equity

If Council proceeds with decisions to first acquire the Cornelius property and then to develop the new facility, the services provided will address service gaps experienced by the significant Latinx population and others in the area and create the opportunity for community members and local governments in the area to identify other options for benefits. The specific work that has resulted in bringing the site acquisition decision to Council incorporated key equity principals from the Regional Waste Plan to involve marginalized communities that historically haven’t had a voice in garbage and recycling decisions. Metro partnered with Centro Cultural to help recruit, select and engage with community advisory group establishing specifically to provide input and guidance to Metro.

Climate

The emissions associated with the goods and services consumed in the greater Portland area represent a significant portion of the region’s greenhouse gases. While those emissions occur at all stages of a product’s life cycle, a meaningful amount are associated with how products are managed – through disposal, reuse or recycling – at the end of their life. In fact, recycling and composting efforts in the greater Portland area in 2017 reduced greenhouse gas emissions equivalent to removing approximately 306,000 cars from the road. A garbage and recycling transfer center in western Washington County would further

strengthen the region's infrastructure for reuse and recycling by improving access to these services.

Known Support, Opposition and Community Feedback

WPES and Communications Department staff conducted a comprehensive engagement process related to potential acquisition of the Cornelius site. In summary:

- The Washington County, Hillsboro, Cornelius and Forest Grove governments support proceeding with acquisition of the site and potential development of a facility.
- There is general support from the community members who took the opportunity to weigh in on the project.
- The City of Sherwood (see Attachment E) requests that Metro conduct a thorough feasibility study to assess the solid waste system's need for the potential facility prior to undertaking any design and construction. The City also expressed concerns about the cost of a new facility and whether its residents and businesses would contribute to paying the costs while deriving little direct benefit. Some in the City of Gresham also share this latter concern.
- Pride Disposal and Recycling, which owns and operates a transfer station in Sherwood, opposes development of a new Metro-owned facility because of concern about a potential reduction or impact to its allocation of putrescible (wet) waste. Waste Management, which owns and operates a transfer station in Forest Grove, has expressed concern about duplication of services and the potential impact of a new transfer station on the amount of wet waste delivered to this facility. WM has indicated support for the potential delivery of other services currently missing from this part of the region.
- Local government partners and community and industry stakeholders are interested in further information on the business justification and costs of developing a facility in Cornelius.
- Neighboring residents and business had concerns about potential noise, odor, traffic and air quality impacts, but those who participated in stakeholder meetings mostly felt that their concerns could be addressed and supported by Metro acquiring the property.

Detailed information on the engagements that Metro conducted is contained within an attachment to this worksheet.

LEGAL ANTECEDENTS

Metro Charter, Chapter 2.04.026(a)(2)

Financial Implications

The cost of acquiring the Cornelius site is \$3,100,000. If Council approves the purchase resolution on Feb. 4, 2021, then the Chief Operating Officer will proceed with contract finalization and purchase, using funds from the Solid Waste Reserve Fund already allocated within the current FY20-21 Capital Improvement Plan budget. There would be no rate impacts associated with the parcel acquisition. Costs of developing and operating a facility on the site would be determined after completion of a process of Council and community input and obtaining Council direction on the services to be provided. Metro's real estate and legal staff believe that, even if no facility was to be developed on the property, land-banking this parcel is prudent.

BACKGROUND

As noted above, acquisition of the Cornelius site and potential development of a waste and recycling transfer station are strongly rooted in the 2030 Regional Waste Plan. As with many of the goals and actions associated with the plan, this one intersects with, affects and is affected by other policies, programs and investments identified in the plan. For example, the plan identifies future work to expand opportunities for reuse of products and materials, and to improve the systems for recycling food waste. A new facility in Washington County could help achieve both of those things. Additionally, one of Metro's long-standing roles, identified in the Plan, is to regulate the solid waste system for the public good. Part of that responsibility includes managing allocations of wet waste to be handled by private transfer stations. Building a new public transfer station will require Council to consider what changes would need to be made to the future allocations to continue to maximize public benefit, while reflecting the addition of a new facility. And finally, Metro needs to balance implementing infrastructure and program actions in the plan with the cost impacts that these actions will have on Metro and local government budgets and on the garbage and recycling collection rates paid by the region's residents and businesses. Metro staff are starting a system-wide facility planning review to evaluate the future needs of the regional system, determine how to improve current infrastructure, and fill gaps in the system to establish a more sustainable, efficient and modern system.

ATTACHMENTS

Resolution No. 20-5146

Attachment A: Letter, City of Cornelius

Attachment B: Letter, Community Advisory Group

Attachment C: Letter, Waste Management Inc.

Attachment D: Letter, Mayor Mays, City of Sherwood

- Is legislation required for Council action? ☒ Yes ☐ No
- If yes, is draft legislation attached? ☒ Yes ☐ No
- What other materials are you presenting today? *PowerPoint presentation*