

ERRATA
City of Boulder Council Agenda Item 5-C
Regarding Recycle Row
July 7, 2009

**Please replace pages 3 and 14 with the attached revised pages.
(Highlighted areas indicated corrections).**

In either event, the staff recommended funding method for the city's contribution to the nonprofit facilities is a 20-year bond against the Trash Tax. As previously discussed by council, Trash Tax rates will need to be increased in order to pay back the bond. Options for increasing the tax rates are provided in Section III and **Attachment E**. Staff is recommending Option 1, which is an increase of \$27 per year for the majority of residential trash customers and no increase for commercial customers.

This memo also provides responses to questions from the council May 17 and June 9, 2009 meetings, in **Attachment F**.

STAFF RECOMMENDATION:

Suggested Motion Language:

Staff requests council consideration of this matter and action in the form of the following motion:

A motion to:

- 1) direct staff to propose extending the purchase contract deadlines for 6400 Arapahoe Ave. to allow more time for the city and Boulder County to explore issues related to the site, specifically moving the contract termination deadline to at least July 22;
- 2) provide feedback to staff on terms of a draft cost-sharing agreement with Boulder County for the potential joint purchase of 6400 Arapahoe Ave. for review by council on July 21; and
- 3) direct staff to prepare an ordinance increasing the Trash Tax rates in accordance with Option 1 for final consideration following council's decision on which site to purchase July 21 (generating an estimated additional \$404,000 per year to pay back a \$4.8 million bond [including \$100,000 bond origination fee], which, combined with the \$1,000,000 already set aside for Recycle Row facilities, would fund a city contribution of \$5.7 million for the acquiring and preparing a site for Eco-Cycle, CHaRM and ReSource).

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS:

- **Economic:** Providing a permanent location and expanded facilities for the Eco-Cycle office, CHaRM and ReSource will provide economic benefits to Eco-Cycle and the CRC by allowing them to expand their programs and strategically plan for future business development. CHaRM employs 4.5 full-time employees and would likely add two or three employees at an expanded facility. ReSource employs 7.25 full-time employees and anticipates adding 4.25 full-time employees at an expanded facility.

Site Option Comparison							
Facilities	Land area (acres)	Covered outdoor space (square feet)	Warehouse (square feet)	Office (square feet)	Total building (square feet)	Employees	Total Cost*
Current facilities							
Eco-Cycle/ CHaRM	2.7	250	6,280	4,788	11,068	Eco-Cycle - 32 CHaRM - 4.5	
ReSource	1.2		6,475	200	6,675	7.25	
Total	3.9	250	12,755	4,988	17,743	43.75	\$ -
Brickyard site option							
Eco-Cycle/ CHaRM	2.5		11,500	5,000	16,500	Eco-Cycle - 32 CHaRM - 6.5	
ReSource	1.6		11,500		11,500	11.5	
Total	4.1		23,000	5,000	28,000	50	\$5.7 million
6400 Arapahoe Ave. option							
Eco-Cycle/ CHaRM/ Resource and additional uses	4.75 city 4.75 county 9.5 total***	13,000	12,000	12,000	24,000	Eco-Cycle - 32 CHaRM - 7.5 ReSource - 11.5 Total - 51	\$4.8 million**
<p>* Total cost includes site purchase, site development, building construction and renovation, annexation, and does not include annual operating and maintenance costs.</p> <p>** Staff will further explore what additional improvements or construction could be considered to bring total city funding to \$5.7 million.</p> <p>*** Assumes property is equally divided between the city and the county. The widening of Arapahoe Avenue is expected to reduce 6400 Arapahoe by approximately .5 acre, resulting in 4.5 acre for the city portion.</p>							

Comparing the two sites, at this point 6400 Arapahoe appears to be slightly better than the brickyard site in terms of acreage and building area for the nonprofits' facilities, and clearly better in providing a site for adjacent county-wide waste reduction infrastructure. However, 6400 Arapahoe is significantly less advantageous relative to access and potential neighborhood impacts, particularly for the county's proposed uses.

However, there are several key issues that need to be further explored before staff can recommend a site for purchase:

- The terms for the cost-sharing agreement with the county (see Section II below)
- The outcome of the environment assessment and any subsequent negotiations it triggers
- Options and costs for improving Arapahoe Avenue access
- The feasibility of future uses and the cost of mitigating any impacts on the surrounding area and neighborhoods.