

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE)	RESOLUTION NO. 20-5146
CHIEF OPERATING OFFICER TO PURCHASE)	
PROPERTY FOR FUTURE DEVELOPMENT OF)	Introduced by Chief Operating Officer
A METRO RECYCLING AND SOLID WASTE)	Marissa Madrigal in concurrence with
TRANSFER CENTER)	Council President Lynn Peterson

WHEREAS, Metro is the solid waste system planning authority for the region and acts pursuant to its constitutional, statutory, and charter authority; and

WHEREAS, in Ordinance No. 87-740 Metro Council designated solid waste as an area and activity appropriate for development of a functional plan and has a significant impact upon the orderly and responsible development of a metropolitan area; and

WHEREAS, in Ordinance No. 19-1431, the Metro Council adopted the 2030 Regional Waste Plan, which superseded all previous regional solid waste management plans and amendments; and

WHEREAS, the 2030 Regional Waste Plan serves as the greater Portland area's blueprint for investing in a 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; and

WHEREAS, Goal 10 of the 2030 Regional Waste Plan is to “provide regionally consistent services for garbage, recyclables and other priority materials that meet the needs of all users” and Goal 16 of the 2030 Regional Waste Plan is to “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”; and

WHEREAS, Action 16.5 of the 2030 Regional Waste Plan is to “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”; and

WHEREAS, beginning early in 2019, Waste Prevention and Environmental Services (WPES) staff began searching for properties within Washington County that could be suitable for the future development of a Metro recycling and solid waste transfer center; and

WHEREAS, in summer of 2019, WPES staff identified a property in the City of Cornelius as a potentially appropriate site and on October 9, 2019, the Chief Operating Officer entered into a Purchase and Sale Agreement for said property (the “Cornelius Property”); and

WHEREAS, for the past sixteen months, Metro staff and expert consultants have undertaken due diligence activities (including, appraisal, environmental and geotechnical studies) on the Cornelius Property as well as engaged in widespread community engagement related to Metro’s potential acquisition, which outreach was conducted in accordance with Metro diversity, equity and inclusion initiatives and goals; and

WHEREAS, acquiring the Cornelius Property would be in Metro’s best interest and allow Metro to continue evaluating the feasibility of establishing a publicly-owned facility on the property to achieve the aforementioned goals of the 2030 Regional Waste Plan; and

WHEREAS, Metro Code Section 2.04.026(a)(2) requires that the Chief Operating Officer obtain the authorization of the Metro Council to acquire real property for Metro; now therefore

BE IT RESOLVED that the Metro Council hereby authorizes the Chief Operating Officer to acquire the Cornelius Property, on terms set forth in the Purchase and Sale Agreement, in accord with Metro's usual and customary acquisition parameters and due diligence preconditions.

ADOPTED by the Metro Council this 4th day of February 2021.



Lynn Peterson, Council President

Approved as to Form:



Carrie MacLaren, Metro Attorney



January 25, 2021

Ms. Lynn Peterson
Metro Council President
Metro Regional Center
600 NE Grand Ave
Portland, OR 97232-2436

Re: Future Metro West Recycling and Transfer Center

Dear Council President Peterson and Metro Councilors,

On behalf of the Cornelius City Council, I would like to express our support for the proposed Future Metro West Recycling and Transfer Center, which is being considered for preliminary investment through land purchase. Through robust community outreach, including multiple engagements with Cornelius city staff and the City Council, Metro has identified a 12.5-acre property in Cornelius' industrial district appropriate for such a facility. For nearly 18 months, Metro and Cornelius city staff have coordinated zoning compliance, property due diligence, and programming and infrastructure concepts, and we have reached a clear understanding of the objectives and opportunities that this project will bring to the community of Cornelius and western Washington County.

Cornelius has a population of approximately 12,600 residents, nearly 52 percent of them identifying as Latino. Our community's poverty rate hovers near ten percent. Our community is also growing, as is nearly all of Washington County, and we expect a 30 percent increase in our city's population within the next five years. We are assisting numerous new commercial and industrial businesses drawn to our bountiful city, which is increasingly developing itself as a complete, though regionally interconnected, community. Our industrial road network is nearly fully built out, and we host a major section of Washington County's Regional Freight Network through our industrial district.

Cornelius has worked very hard over the past decade to improve our economic condition through sound planning policies, culturally-sensitive community outreach, and recruitment and growth of our industrial base. We are thoughtful about how new industry will impact our communities, as well as the positive results created through new employment opportunities. Since our initial discussions with Metro staff in 2019, our City Council and staff have been supportive and excited about the new resources that a state-of-the-art recycling, recovery, and transfer facility can bring to this corner of the Portland Metro region. From family-wage jobs to greater opportunities and convenience for commercial and household waste management, including household hazardous waste – always a difficult waste category to manage in exurban communities – this new facility will bring new employment and an equitable level of service to communities that have to date been limited in

their waste management options. This project gives appropriate investment to west side communities while serving the greater region and fulfilling Metro's Regional Waste Plan.

As you can see, Cornelius is a very suitable community to host Metro's next waste recycling, recovery, and transfer station. Our community has expressed strong support for this project, and our elected and appointed officials have met this effort with excitement and encouragement. We collectively see this as an asset and an opportunity to not only serve the waste management needs of the west side, but also contribute to our city's economic development and environmental management initiatives.

The Cornelius City Council urges the Metro Council to vote in favor of purchasing the 12.5-acre property on N 4th Avenue in Cornelius, thereby taking one major step toward fulfillment of Metro's Regional Waste Plan and equitable distribution of resources and amenities across its service area.

Sincerely,



Jeffrey C. Dalin
Mayor of Cornelius

Letter to Metro Council

Ref: Metro West Transfer Station

January 26th, 2021

Distinguished Councilors:

Today, I come to share with you some comments and feedback we received from the members of the Community Advisory Group for the Metro West Potential Transfer Station.

Participants of this group feel that a transfer station would be a great benefit to the community. It will create job opportunities, and people will not have to travel so far to get rid of household hazardous waste safely. Using modern technology would mitigate issues that could arise from operating this facility, and bring instead education opportunities and contribute to the economy of this area.

It has been an honor for me to be part of the CAG. I support the development of a Transfer and Recycling Station in my area. It would help us to care for the environment, and it would bring employment and service to residents of Cornelius and surrounding areas, for example, Forest Grove, Hillsboro, North Plains, Gaston and McMinnville. Considering, that the nearest facilities are located in Portland and Oregon City, it is clear that we do need a transfer station on this side of town. We have waited for a long time.

With Appreciation,

Mariana E. Valenzuela

On behalf of the Community Advisory Group



WASTE MANAGEMENT

7227 NE 55th Avenue
Portland, OR 97218

January 19, 2021

Metro President Lynn Peterson and Metro Council
Councilor Shirley Craddick
Councilor Christine Lewis
Councilor Gerrit Rosenthal
Councilor Juan Carlos Gonzalez
Councilor Mary Nolan
Councilor Bob Stacey
600 NE Grand Avenue
Portland, OR 97232

SUBJECT: Potential Metro Westside Facility

*** sent by email only ***

Dear President Peterson and Metro Councilors:

This letter is in response to a staff report issued on January 7th regarding potential Metro infrastructure in Cornelius scheduled for consideration at a work session today, January 19th. It is important for us to clarify the record suggesting we have offered “no formal position.” Given Waste Management’s conversations with staff, we are surprised this correction is required and disappointed by the staff report’s characterization of our lack of concern. As we have discussed with you and made clear to staff, to the contrary, Waste Management remains quite concerned about the potential impact a new Metro Westside transfer station will have on our nearby infrastructure. Our concern lies in creating costly duplicative services. Nonetheless, we remain enthusiastic and excited about the delivery of “missing” services on the westside of the Region that ensures regional equity.

Waste Management is committed to serving the Metro Region. Our Forest Grove Transfer Station (FGTS) efficiently moves significant wet waste volume within the Metro regional system. Our dry waste processing facility, Tualatin Valley Waste Recovery (TVWR), diverts significant tonnage of waste from landfills. Both facilities are important assets representing significant investments by Waste Management. If Metro builds duplicative infrastructure, and diverts volume to this new facility, it would be a de facto closure (and taking) of our assets and require compensation. This, and other questions, remain. It seems to us, the conversations with Metro staff should be continued to find a mutually acceptable solution, one that balances services to the community, without costly duplicative infrastructure and preserves private property rights. We are, of

course, always ready to continue dialogue about the best path forward for the region, but disappointed that the public-minded spirit in which we have tried to approach this question has been translated as acquiescence or approval.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Adam Winston', with a large, stylized initial 'A'.

Adam Winston
Area Director – Collection Operations

cc: Paul Slyman, Metro
Roy Brower, Metro
Dean Kampfer, WM



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Keith Mays

Council President
Tim Rosener

Councilors
Renee Brouse
Sean Garland
Russell Griffin
Doug Scott
Kim Young

City Manager
Joseph Gall, ICMA-CM

November 30, 2020

Marissa Madrigal
Chief Operating Officer
Metro
600 NE Grand Avenue
Portland, Oregon 97232

Dear Marissa,

On behalf of the Sherwood City Council, I wanted to again thank you and your staff for participating in our special meeting on November 24, 2020. It was a very informative and helpful discussion about both the proposed Tipping Fee Increase and the potential Cornelius transfer station. We discussed a wide range of topics related to both proposals, but there were some key takeaways that I wanted to share with you from the work session, including:

1. Metro Council has delayed consideration of the original proposed Tipping Fee increase until December 17, 2020. In addition, Metro staff indicated that alternatives to the original proposal are being created that could include only one Tipping Fee increase (versus the original two) in 2021. This includes making the effective date of July 1, 2021 which is the normal implementation cycle for such fee adjustments.
2. The sophisticated Metro rate model that was shared with the City of Sherwood and reviewed by Chris Bell, our financial analyst contains projected costs, tons and rates for the next fifteen years. However, Brian Kennedy, CFO stated in our work session that this current rate model has "no validity".
3. There have been no significant labor reductions within WPES over the past year due to the decreased tonnage volumes according to Brian Kennedy.
4. Metro has an adequate fund balance to postpone a Tipping Fee increase until July 1, 2021.
5. A commitment was made to allow Sherwood officials to more actively participate in the ongoing discussions about future Tipping Fee adjustments.
6. A feasibility study will be conducted by Metro prior to moving forward with any design and construction of the proposed Cornelius transfer station facility. This critical step is outlined in the Metro Solid Waste Management Plan. Sherwood Council members request that the feasibility study focuses on the entire region – on what is needed and includes a broad look at solutions to those needs rather than a study that is designed to validate the aspirational goals within the SWMP. Sherwood recommends setting up a

committee where cities and haulers are represented and provide critical input to the feasibility study. Sherwood would like to have a representative on that committee.

Roy Brower stated that before the design stage, Metro will take a pause to take a look at regional, global look at needs and facilities, and gaps in the system. The feasibility study will look at the facility amenities proposed in Cornelius and one in the south and also look at the broad system-wide needs.

For Sherwood, it is important for the Regional Feasibility Study to give us answers to the following questions:

- A) If a facility is constructed (and/or existing one rebuilt), how will it be funded? Through the tonnage fee paid by users of that facility, by the Regional System Fee, or a combination of the two?
- B) How will future tonnage volume allowances be determined? If Metro uses the current method, 60% of the wet tons will be directed to Metro's facilities, with the remaining tonnages allotted to the non-Metro facilities. If a new or rebuilt transfer facility is built, this method will have a significant impact on the fee charged at non-Metro facilities.

We look forward to additional details about potential alternatives to the original Tipping Fee increase over the coming weeks and encourage you to work with all other local jurisdictions and industry members. These are important decisions in a normal year, but certainly heightened during the ongoing Covid-19 pandemic.

Sincerely,



Keith Mays
Mayor

CC: Sherwood City Council
Joseph Gall, ICMA-CM, City Manager
Metro Council
Metro Mayors Consortium
Metro area City Managers

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

Prepared by: Dan Blue,
dan.blue@oregonmetro.gov and Roy Brower,
roy.brower@oregonmetro.gov

Presenter(s): Roy Brower and Brian Kennedy

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? *X Yes* No
- If yes, is draft legislation attached? *x Yes* ☐ No
- What other materials are you presenting today? *PowerPoint presentation*

Examples of how operational cost could be covered

	No new tons	Metro share increase = 50% wet + 7.5% dry waste	Metro share increase = 60% wet + 15% dry waste
Metro tonnage charge increase (per ton)	\$12 – 18	\$3 – 9	\$0 – 3
Regional System Fee increase (HHW) (per ton)	\$2 – 4	\$2 – 4	\$2 – 4

Debt service estimates vary widely. Rate impacts depend on scale of facility construction, tonnage estimates and allocation methodology.