

## A G E N D A



## Recommendation for Council Action

Austin City Council		Item ID	51969	Agenda Number	98.
Meeting Date:	11/19/2015		Department:	Austin Resource Recovery	
Subject					
Conduct a public hearing and consider an ordinance amending City Code Titles 15 and 25 regarding recycling and reuse of materials generated by certain construction and demolition projects. Related to item # 79.					
Amount and Source of Funding					
Fiscal Note					
A fiscal note is not required.					
Purchasing Language:					
Prior Council Action:	Council Resolution 20100930-023 directing the City Manager to investigate the possibility requiring all construction sites to recycle construction and demolition (C&D) material and creating incentives for C&D recycling.  Council Resolution 20141211-128 initiating code amendments related to recycling requirements for construction and demolition projects.				
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Council Committee, Boards and Commission Action:	September 2, 2105 – Reviewed by the Environmental Commission September 22, 2105 - Unanimously recommended by the Planning Commission October 14, 2015 – Recommended by the Zero Waste Advisory Commission on 7-1-1-1 vote, Commissioner Joyce opposed, Commissioner Jiampietro abstaining, Commissioner Acuna recused, Commissioner Valera absent. October 28, 2015- Recommended by Open Space, Environmental and Sustainability Council Committee on 2-1 vote (Council Member Zimmerman opposed, Council Member Garza absent).				
MBE / WBE:					
Related Items:					
Additional Backup Information					

As directed by Council Resolution 20141211-128, staff prepared a draft ordinance using the intent document as a foundation and briefed three city commissions. The Environmental Commission expressed support of the ordinance and diversion of construction and demolition materials. During discussion, three general areas of concern arose among the Planning Commission and Zero Waste Advisory Commission: applicability, diversion requirements and studies of household affordability and materials markets.

To develop the ordinance intent document, Austin Resource Recovery (ARR) staff conducted 10 public meetings, between December 2013 and November 2014, to gather input from stakeholders. Those meetings included the Zero Waste Advisory Commission (ZWAC) Construction and Demolition Recycling Committee, as well as other City Departments including Austin Energy Green Building and Development Services Department. Participating stakeholders included developers, historic preservation groups, contractors and processors of C&D material. In November 2014, the ZWAC recommended that Council adopt an ordinance intent document based on the stakeholder input.

This ordinance builds on diversion initiatives pioneered by the Austin Energy Green Building (AEGB) program and the private sector infrastructure developed to support the initiative. The AEGB Commercial and the Multifamily Rating systems require a minimum 50% diversion of construction materials. The City Code requires or provides incentives for building projects downtown and in many other parts of town to meet AEGB requirements. To enable contractors to meet the AEGB diversion requirement, private haulers, landfill operators, and others have developed an infrastructure to reclaim and recycle construction and demolition (C&D) materials.

#### **Applicability**

Amending Land Development Code Chapter 25-11; under the Planning Commission's purview:

- Planning Commission recommended that the ordinance not apply to construction projects less than 5,000 square feet or residential demolition projects, both of which were included in the ordinance intent. This change was based on concern about the low potential diversion and relatively small quantity of material affected.
- Zero Waste Advisory Commission agreed with the Planning Commission's recommendations and also advised delaying the addition of commercial demolition for three years until October 1, 2019 to give processing operations and materials markets more time to mature.

#### **Diversion Requirements**

Amending Solid Waste Services Code Chapter 15-6; under the Zero Waste Advisory Commission's purview:

- The ZWAC advised inclusion of the diversion requirements in 2020 and 2030 as proposed in the ordinance intent.
- The Planning Commission encouraged ZWAC not to include automatic increases in the diversion requirements in 2020 and 2030. This would allow staff to analyze material markets and propose diversion requirements.

#### **Studies: Affordability & Materials Markets**

Both Commissions recommended that staff conduct studies evaluating the impact to household affordability and economic assessment of the markets for C&D material. The Commissions differed on when those studies should be done:

- The Planning Commission recommended that the studies be conducted prior to increasing the diversion requirements to provide Council with information about impacts to affordability and C&D recycling markets. Please keep in mind that the Planning Commission assumed that the 2020 and 2030 requirements would not be included in the ordinance.
- The ZWAC advised that the studies be conducted and provided to Council prior to the 2020 and 2030 diversion requirements became effective. The ZWAC believed the information would help staff and Council determine if the 2020 or 2030 requirements should be implemented on their planned effective dates.

### **Staff Recommendations**

Based on feedback from the Planning Commission and Zero Waste Advisory Commission, staff recommends the following:

- Applicability: Combining the two commissions' discussions: apply to construction projects greater than 5,000 square feet beginning October 1, 2016 and commercial demolition projects beginning October 1, 2019;
- Diversion Requirements: Requiring affected projects to either 1) meet or exceed 50% diversion; OR 2) dispose of less than or equal to 2.5 pounds per square foot; and consistent with the Planning Commission, removing the 2020 and 2030 diversion requirements;
- Studies: Consistent with Planning Commission, conducting the two studies to inform Council on whether to increase diversion requirements in 2020 and 2030.

### **Fiscal Impact Assessment**

Regardless of diversion requirement, the number of projects affected by the ordinance is the sole cost driver contributing to department implementation.

Based on FY13 permit data, ARR estimates that the first year of implementation (FY17) would affect 1650 building projects, about half of which will finish and be required to submit a Project Diversion Report. ARR assumes that beginning in FY18 the number of completed affected projects will equal the number receiving permits.

Each year, ARR will also have costs for managing data and providing outreach to the affected parties. Based on these workload assumptions and projected expenses, this ordinance would cost ARR about \$140,000 in FY17 and \$185,000 in subsequent fiscal years.

Impacts to Development Services Department are within the scope of their existing interdepartmental services.