



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** John Stufflebean  
Jennifer Maguire

**SUBJECT:** SEE BELOW

**DATE:** 02-02-09

Approved

Date

2/9/09

**COUNCIL DISTRICT:** 3

**SNI AREA:** Five Wounds /  
Brookwood Terrace

**SUBJECT: ADOPTION OF A RESOLUTION TO AUTHORIZE APPROPRIATION OF FUNDS FOR THE CONSTRUCTION OF THE LAS PLUMAS HOUSEHOLD HAZARDOUS WASTE DROP-OFF FACILITY**

## RECOMMENDATION

Adopt the following Appropriation Ordinance and Funding Sources Resolution amendments in the Integrated Waste Management Fund (Fund 423):

- a. Increase the estimate for Earned Revenue by \$393,005;
- b. Increase the Household Hazardous Waste Las Plumas Facility appropriation by \$2,193,005; and
- c. Decrease the Ending Fund Balance by \$1,800,000.

## OUTCOME

Approval of these recommendations would authorize funds needed to complete this project, approved by Council on June 26, 2007. This project supports Green Vision Goal # 5 and the Urban Environmental Accords Actions #4, #6, #7, #9, and #21. The project will also play a major role in meeting the requirements of the robust pollution prevention plan under the City's Storm Water Permit. Finally, proceeding with the construction of this facility expeditiously will allow the City to take advantage of the current construction market, which could mitigate costs, and create temporary construction jobs to help dampen the effects of the current economic downturn.

## **BACKGROUND**

The County Household Hazardous Waste (HHW) program has been serving County residents for more than 15 years. State law and City regulations prohibit the disposal of HHW through regular garbage and recycling service and through the sanitary sewer system. The loss of San José's sole permanent drop-off facility in 2006 placed a significant burden on San José residents and small businesses who want to dispose of their HHW in a legal and environmentally responsible manner. Currently, the public must drive to Sunnyvale or San Martin, or wait for infrequent temporary events organized by the County to dispose of HHW legally. The new Las Plumas facility, expected to open in early 2010, will serve as the principal drop-off site for all County residents.

On June 11, 2007, the San José Planning Commission certified an Environmental Impact Report (EIR) to relocate the San José HHW drop-off facility from 1600 S. 10<sup>th</sup> Street to 1608 Las Plumas Avenue. The 10<sup>th</sup> Street facility was closed in November 2006 to accommodate the expansion of the Central Services Yard. On June 26, 2007, Council accepted the EIR and directed staff to proceed with design and construction of the new facility.

## **ANALYSIS**

Due to challenges presented by the grading of the existing site and regulatory requirements governing the treatment and discharge of stormwater to the San Francisco Bay, additional funding is needed for the construction of the Las Plumas HHW facility. A key component of this project is the reuse of the existing warehouse for storage of event supplies and some HHW related materials. While this has significant fiscal and environmental benefits, the condition of the surrounding parking areas necessitates complete demolition and construction of new parking, loading and outdoor storage areas to ready the site for use as a household hazardous waste facility. Designing a grading and drainage plan that maintains the proper interface with the existing structure and creates adequate slope to properly drain stormwater have been complicated by the extreme flatness of the existing site. Proper drainage is needed to ensure that water flows away from the operations and the building.

Public projects funded prior to October 2003 (primarily the Safety Bond projects) were not required to comply with City Council Policy 6-29 Santa Clara Valley Urban Run-off Pollution Prevention Plan NPDES issued by the San Francisco Bay Regional Water Quality Control Board. The proposed HHW facility was funded after that date and is therefore required to fully comply with the regulations. The Policy and Permit require any project that creates, replaces or expands impervious surfaces by 10,000 square feet or more to install post-construction source control and treatment control measures to remove pollutants from stormwater prior to discharge to the storm sewer system. Staff has determined that the best methods to achieve compliance are to design a permanent, seismic-ready canopy above the entire outdoor operation area in which HHW will be handled (a source control measure), and to install bio-retention areas (a treatment

control measure) on site to collect and treat all stormwater that falls on impervious surfaces (asphalt, paths, ramps, etc.).

The original project estimate completed in 2007 for the design and construction of this first phase of the project was based on a preliminary scope of work and a schematic design. Following the preliminary estimate, several restrictive site conditions were discovered and a more refined scope of work was developed. The project has now progressed to the 50% construction documents phase and a revised cost estimate has been developed. The increased costs are due to the following factors:

1. Phase I and Phase II Construction

The schematic design included asphalt paving of the majority of the site as a temporary measure, with plans to remove portions of the paving in Phase 2 as the new parking lot configuration became known. As the design of the Phase I improvements progressed, it was revised to accommodate the storm water treatment in addition to installing the necessary parking lot configuration for Phase 2. This "smart sequencing of construction" has resulted in some increased costs for the Phase I improvements but decreased capital costs for future development

2. Las Plumas Avenue & Nipper Avenue Improvements

The schematic design did not include improvements along Las Plumas and Nipper Avenue. Staff was attempting to keep costs down in Phase I and incorporate a broader range of street improvements in Phase II when more funding sources would be available. Development Services and Department of Transportation stressed the need to make these improvements in Phase I to accommodate accessibility and a safe transition into the parcel. Private development of any property requires that improvements to the adjacent public street be included. Any improvement to City property is held to the same standards as private development; therefore, the Phase I improvements now include new curb, gutter, sidewalks, street trees, street lights, new driveways to accommodate fire and delivery trucks, and an upgraded perimeter fence.

3. Storm Water Treatment Requirements

The treatment of storm water on this site is extremely challenging due to the existing conditions. The site is very flat with a very high groundwater table. There is concern that normal storm water treatment would contaminate the existing groundwater. Due to these conditions, more costly methods of storm water treatment are included in the Phase I improvements. The Las Plumas drop-off facility will include additional infrastructure (canopy and bio-retention / bio-mechanical areas) to ensure operational areas are protected from storm water intrusion, and all site runoff is properly treated before entering the storm drain system.

The current Public Works engineer's cost estimate for this facility is \$4.2 million; of that \$191,177 is already spent, \$1,995,487 was appropriated in 2008-2009; and \$2,193,005 is requested for appropriation in this report. Compared with an earlier project cost estimate, project design and construction costs have increased by \$2,193,005. Such increases can be associated with various street improvements along Las Plumas Avenue and Nipper Avenue totaling (\$380,000), additional support required for the canopy (\$595,000), site preparation grading (\$341,000), site pavement work (\$584,000), as well as other design element challenges described above.

In September 2008, Council directed staff to submit a grant application to the California Integrated Waste Management Board (CIWMB) for consideration of funding support to construct a HHW facility. The CIWMB Board of Directors approved and awarded the City a grant of \$250,000 in December 2008 to assist in the construction of the Las Plumas facility. It is recommended that the award of the \$250,000 grant from the CIWMB be appropriated in 2008-2009 for the Las Plumas HHW facility. The conditions of the grant specifically warrant the use of the funds for the design and construction of household hazardous waste facilities.

In addition, the City received unanticipated revenue of \$143,005 as a result of a County reconciliation of the landfill tipping fees that are used to support HHW programming, and the increased number of residents in San José who participated in the County HHW program during 2007-2008. The accumulation of these revenues over the past several years has provided the current funding in the Las Plumas Capital Appropriation. Staff recommends that this revenue be used to support design and construction of the facility, consistent with how HHW revenue reimbursed from the County has been budgeted in the past. The first recommendation in this report would increase the Earned Revenue estimate by \$393,005, to account for the revenue receipts described above.

The County operates the HHW program on behalf of all cities in the County, with the exception of Palo Alto, which facilitates its own HHW program. In 2005 – 2006, the HHW program operated 32 collection events in San José from the permanent 10<sup>th</sup> Street Facility. In comparison, in 2007 – 2008, the HHW Program held only eight temporary events in San José. And in 2008 – 2009, the HHW Program is estimated to hold ten temporary events in San José. The current level of events in San José is not sufficient to support the needs of the residents and their volumes of HHW. San José residents account for nearly 11,000 drop-offs annually, which makes up 50% of all materials collected (more than 1 million pounds) throughout the County. The level of temporary events cannot accommodate such volumes of residents or volume of materials, and as such, San José residents are not able to fully utilize the program. The permanent facility will be larger than temporary event venues and will be open more frequently to accommodate existing and future levels of residential participation.

Each temporary drop off event costs almost twice as much as events held at a permanent facility. For example, a temporary event may cost upwards of \$42,000 to serve 300 residential drop-offs, or an average of \$140 each. To serve 300 residents at an existing County facility only costs

\$21,000, or \$70 per drop-off. These costs only reflect ongoing operating expenses. Capital costs are one-time and have not historically been factored into County figures. The cost increases for temporary events can be attributed to leasing costs, as well as set-up and take-down activities which are required with each one-day event as they are normally held in open parking lot areas at community facilities. In addition, the temporary events are available for residential drop-offs only, as compared to permanent facilities which also accept materials from small business generators. A permanent facility provides a lower cost option for small businesses to legally dispose of their hazardous waste since the collection is provided at a centralized location.

The new San José facility at Las Plumas is expected to be open for collection services 96 times per year, 3 times that of the previous San José site on 10<sup>th</sup> Street, which only accommodated 32 events per year. Of the 96 anticipated events 48 will be dedicated for residential drop-offs and the other 48 for small businesses. In addition, due to aggressive outreach and increased environmental awareness in the community, participation levels in the HHW program have been steadily rising in the past several years, with nearly 10,000 more Countywide drop-off appointments made each year compared to 2001 levels. Completing this facility will enable the County to operate the program at reduced per appointment cost and will enable the City to serve more residents and small businesses within the existing operating budget for the HHW program.

Authorizing funds for construction of the facility now will allow the City to take advantage of lower construction costs that are currently observed throughout the region, and expeditiously provide a much more convenient HHW solution for the public.

### **EVALUATION AND FOLLOW-UP**

Staff shall return to the Transportation and Environment Committee in June 2009 to provide development progress updates on the Las Plumas Facility.

### **PUBLIC OUTREACH/INTEREST**

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City.
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach.

This recommendation does not meet any of the criteria listed above. This memorandum is posted on the City's website for the February 24, 2009 Council Agenda.

**COORDINATION**

This memorandum has been coordinated with the City Attorney's Office, and the Department of Public Works.

**COST SUMMARY/IMPLICATIONS**

The Integrated Waste Management Fund (Fund 423) balance will decrease by \$1,800,000. Staff anticipates that this decrease will be fully offset by liquidations of prior year contract encumbrances which have not yet been completed in the Recycle Plus and International Disposal Corporation Garbage Disposal appropriations in Fund 423.

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT INCREASES: **\$2,193,005**

Construction	\$ 3,063,000
Project Delivery	845,000
Contingency	280,492
<b>Total Project Costs</b>	<b>\$ 4,188,492</b>
Prior Years Expenditures	191,177
<b>REMAINING PROJECT COSTS</b>	<b>\$ 3,997,315</b>

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

	Previously Appropriated	New Appropriation Request	Total
Mobilization	\$100,000	\$165,000	\$265,000
SWPPP Measures	15,000	11,000	26,000
Utility Conflict	31,000	104,000	135,000
Site Preparation	91,000	341,000	432,000
Grading and Drainage	84,000	117,000	201,000
Concrete / Masonry	48,000	584,000	632,000
Fencing and Walls	56,000	25,000	81,000
Asphalt Concrete Work	349,000	(90,000)	259,000
Electrical Work	33,000	73,000	106,000
Irrigation	59,000	89,000	148,000
Planting	75,000	58,000	133,000

Canopy / Site Miscellaneous	443,000	194,000	637,000
Maintenance	2,000	6,000	8,000
Project Delivery / Soft Costs	350,000	495,000	845,000
Project Contingency	259,487	21,005	280,492
<b>TOTAL</b>	<b>\$1,995,487</b>	<b>\$2,193,005</b>	<b>\$4,188,492</b>

3. SOURCE OF FUNDING: 423 – Integrated Waste Management Fund
  
4. FISCAL IMPACT: There are no cost implications to the General Fund as a result of this action.
  
5. OPERATING COSTS: An on-site Senior Maintenance Worker and \$100,000 in non-personal funds for the maintenance of the Las Plumas site were approved by Council in the 2007-2008 Adopted Operating Budget (IWM Fund). Maintaining and staffing the Las Plumas facility beginning in July 2007 was a requirement in the EIR approved by Council in June 2007 to mitigate the risk of illegal dumping, vandalism, theft, and blight at the site. Part of this facility is currently used to stage the City’s Public Litter Container maintenance program and to warehouse supplies and equipment for the City’s special event recycling program. No additional operating costs above those covered by the \$100,000 base budget for operating expenses are anticipated when the HHW facility construction is completed. In addition, the current operating costs will be partially offset by lease revenue of \$53,000 per year the City expects to receive from the County for the County’s use of the facility.

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	Total Appn	Amt. of Recommendation	Adopted Budget Page	Last Budget Action (Date, Ord. No.)
423	8999	Unrestricted Ending Fund Balance	\$9,762,302	\$1,800,000	XI-47	12/02/2008, Ord. No. 28452

In addition to the funds above, \$393,005 of Earned Revenue will be appropriated toward this project.

HONORABLE MAYOR AND CITY COUNCIL

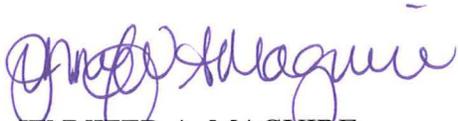
02-02-09

**Subject: Appropriation of Funds for Construction of Las Plumas HHW Facility**

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**CEQA**

The Las Plumas HHW facility has been the subject of an EIR (PP#06-100) and Resolution (#73929), certified by the San Jose Planning Commission on June 11, 2007, and approved by City Council on June 26, 2007, respectively.

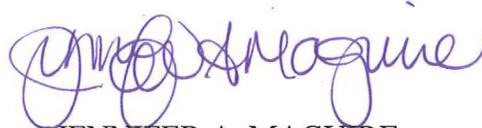


JENNIFER A. MAGUIRE  
Budget Director



JOHN STUFFLEBEAN  
Director, Environmental Services

I hereby certify that there will be funds available for appropriation in the Integrated Waste Management Fund (Fund 423) in the Fiscal Year 2008-2009 monies in excess of those heretofore appropriated there from, said excess being at least \$393,005.



JENNIFER A. MAGUIRE  
Budget Director

For questions please contact Jo Zientek, Deputy Director, Integrated Waste Management Division, at (408) 535-8557.