



City of Oregon City

625 Center Street
Oregon City, OR 97045
503-657-0891

Staff Report

File Number: 19-456

Agenda Date: 8/7/2019

Status: Agenda Ready

To: City Commission

Agenda #: 7a.

From: Public Works Director John Lewis

File Type: Ordinance

SUBJECT:

First Reading of Ordinance No. 19-1011, Business Food Waste Requirements

RECOMMENDED ACTION (Motion):

Approve the first reading of Ordinance No. 19-1011, Metro Business Food Waste Requirements.

BACKGROUND:

In July 2018, the Metro Council adopted Metro Ordinance No. 18-1418 which amended Metro Code Chapter 5.10 to add the Business Food Waste Requirement. Under this ordinance, each local government must require: (1) covered businesses in its jurisdiction to separate and recover food waste; (2) delivery of collected business food waste to a facility authorized by Metro; and (3) property owners and managers who provide space to a covered business to allow the source separation and collection of food waste.

Diverting more food waste away from landfills is a state and regional priority and a significant opportunity to reduce our climate impact. Oregon's Opportunity to Recycle Act and corresponding Administrative Rules (OAR 340-090-0040) identify program requirements to support recycling, waste reduction and composting. Metro is the designated agency responsible for implementing our regional waste plan, pursuant to state law. Oregon statute identifies an increased recovery goal for food waste of 25 percent by 2020. Regionally, the collection of commercial food scraps is at 14 percent. The goal of collecting food scraps is to capture environmental and economic benefits of turning that material into useful products or creating energy while reducing the negative environmental impacts associated with disposal.

The region has had a voluntary business food waste collection program in place for over ten years which has plateaued, recovering 14 percent of the total 140,000 tons of food waste generated by businesses each year. In 2016, Metro Council reviewed the region's current commercial food scraps recovery efforts and confirmed their desire to accelerate the region's recovery of food scraps. The Metro Council determined that in order to increase food scraps recovery and attract stable, local processing capacity, the region should:

1. Require certain businesses to separate their food scraps and eventually prohibit the disposal of food scraps from other business garbage.
2. Determine how to efficiently collect and deliver food scraps for processing.
3. Secure local and stable processing capacity.

Based on Metro Council direction, Metro staff began developing policies and initiatives to fulfill these objectives. In 2017 and 2018, a team of Metro and staff from Beaverton, Clackamas County, Gresham, Portland, Washington County, and the Oregon Department of Environmental Quality developed the policy, ordinance, and administrative rules and conducted outreach with the business community.

Metro staff conducted outreach to individual businesses, business associations, elected officials and boards, chambers of commerce, nonprofits, and government agencies over a period of two years. The majority of outreach was done in person and many were done in partnership with the region's local government staff. In addition, letters were sent to 2,000 potentially-affected businesses to inform them of the policy under consideration and request their input.

A survey developed and distributed in partnership with the Oregon Restaurant and Lodging Association reached 360 businesses. One-on-one meetings with 25 businesses and business associations were held, and presentations to 24 local government councils, commissions, and boards were given. Metro and local government staff convened meetings with local food rescue agencies and state and county health departments in advance of the policy. Overall, businesses support the policy and support having access to food waste collection services throughout the region.

Metro will be providing funding to support 2.0 FTE at Clackamas County (Oregon City) to help businesses with program implementation. Metro is funding 50% of interior collection container costs and maintaining a commercial food waste tip fee that is 30% lower than that of solid waste. In addition, Metro will be compensating solid waste haulers for the additional time and distance required to deliver food waste to facilities that accept them. Metro funding begins the fiscal year 2019-2020 to assist with program implementation to begin March 2020.

Key elements of the ordinance affecting Oregon City are as follows:

- A requirement that local governments adopt an enforceable mechanism (such as a City Code amendment, business license requirement, or other legally-binding instrument) that requires that certain food service businesses separate food scraps from other waste and recyclables.
- Flexibility for local governments in program implementation (e.g., geographically, by hauler franchise, areas of business concentration, etc.) in a manner that makes sense locally as long as commercial food waste collection programs meet regional performance standards. Governments may also, on a limited basis, grant waivers to businesses that are unable to comply.
- A three-phase roll-out will begin with businesses that generate the most food scraps. When fully implemented in 2023, this would affect approximately 3,300 businesses in the region. This represents about 4 percent of the overall business community. The phases would be as follows:
 - **Group 1** (March 31, 2020): those businesses that generate 1,000 pounds or more of food scraps per week. Metro projects that 15-20 businesses in Oregon City would be affected in this phase.
 - **Group 2** (March 31, 2021): those businesses that generate 500 pounds or more of food scraps per week. Metro projects that 30-50 businesses in

- Oregon City would be affected in this phase.
 - **Group 3** (September 30, 2022): K-12 schools and businesses that generate 250 pounds or more of food scraps per week. Metro projects that 50-70 businesses in Oregon City would be affected in this phase.
- Rates: Oregon City Municipal Code 8.20.130 denotes City Commission shall establish and change of rates by resolution. Given that the implementation period does not begin until March 31, 2020, Oregon City staff and the franchise hauler will work towards a rate change for this program per the guidelines set in OCMC 8.20.130. This work will include confirmation of available transfer locations, rate comparables, and establishment of a roll out program such that the Group 1 businesses are provide with at least 2 months notice of rate changes.

The City of Oregon City is required to comply with Metro Ordinance No 18-1418 Business Food Scraps by July 31, 2019. City staff has actively been working with stakeholders within Oregon City. Staff have met with Clackamas County, participating local municipalities, and B&B Leasing/Oregon City Garbage (franchise hauler) to continue to resolve concerns, requirements, and impacts of the Metro requirements. Oregon City strives to implement a Business Food Scrap Ordinance which complies with the Metro Ordinances and satisfies the concerns and needs of our community.

BUDGET IMPACT:

N/A