

City of Brisbane

Agenda Report

TO: Mayor and City Council

FROM: City Manager and City Attorney

SUBJECT: License Fee for Recycling Establishments

DATE: For Council Meeting on October 15, 2012

City Council Goals:

To provide for effective and efficient delivery of City services. [1]

To develop management and fiscal systems to maximize effectiveness of city services and accountability to Brisbane taxpayers and citizens. [11]

Purpose:

The purpose of this resolution is to establish the amount for implementation of the business license fee charged to recycle establishments pursuant to Section 5.20.100 of the Brisbane Municipal Code.

Recommendation:

Adopt Resolution No. 2012-36

Background and Discussion:

At the general election in November, 2011, the Brisbane voters approved an increase to the business license fee charged to recycling establishments that recycle 100,000 tons or more of material during any single year. The ballot measure amended Section 5.20.100 to impose a business license fee up to \$3,000,000 per year, the exact amount of which to be established by resolution of the City Council.

The increased fee in the ordinance was the result of negotiations between the City and Recology, which desires to expand its facilities in Brisbane, and with the cooperation of the City of San Francisco which is also involved in the expansion project. Although no land use entitlements have yet been granted by the City to Recology, they have agreed to commence payment of a reduced annual amount of \$2,100,000 while the application is being processed, subject to cost of living adjustments.

The proposed resolution will implement this arrangement. If the expansion project is approved by the City, the annual fee will be increased to \$3,000,000, effective as of the date final approval is granted, and will thereafter be subject to cost of living adjustments as provided by the ordinance. If the application for the expansion is denied or voluntarily withdrawn and abandoned by Recology, the \$2,100,000 fee will continue until June 30, 2016, and thereafter, the parties will meet and confer to establish a fee that reflects the nature, extent and impacts of the business actually being conducted by Recology in the City at that time.

Fiscal Impact:

The City's FY 2012/13 budget had estimated revenues of \$1,050,000 for the Recology Business License fee. The budget anticipated using about \$960,000 if reserves. Therefore, by approving this Resolution and assuming no other changes in anticipated revenues or expenditures the City will not need to use reserves for the FY 2012/13.

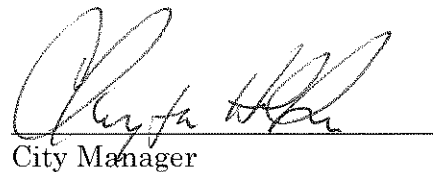
Measure of Success:

Receipt of the higher business license fees at the time and in the amount established by Resolution No. 2012-36

Attachments:

Resolution No. 2012-36


City Attorney


City Manager

RESOLUTION NO. 2012-36

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
BRISBANE ESTABLISHING THE BUSINESS LICENSE FEE FOR
RECYCLING ESTABLISHMENTS PURSUANT TO SECTION 5.20.100
OF THE BRISBANE MUNICIPAL CODE**

WHEREAS, Section 5.20.100 of the Brisbane Municipal Code imposes a business license fee on "recycling establishments," which are defined as establishments engaged in the business of collecting, sorting, cleansing, treating, processing, or reconstituting waste or other discarded materials for the purpose of reuse in altered form; and

WHEREAS, the business license fee for recycling establishments in the City that recycle 100,000 tons or more of material during any single calendar year, as set forth in Section 5.20.100, is up to \$3,000,000 per year, to become effective on the date and in such manner as established by resolution of the City Council; and

WHEREAS, the City Council desires to establish graduated annual business license fee for recycle establishments, based upon the volume of business conducted by the establishment in the City during any single calendar year,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brisbane as follows:

1. The annual business fee for recycle establishments recycling more than 100,000 tons of material but less than 500,000 tons of material in the City during any single calendar year, shall be the sum of Two Million One Hundred Thousand Dollars (\$2,100,000). Such amount shall be payable as follows:

(a) A payment of \$2,100,000 shall be made on June 30, 2013.

(b) A payment of \$1,050,000 shall be made on December 31, 2013 and each December 31st thereafter during the term of this Resolution, and a payment of \$1,050,000 shall be made on June 30, 2014 and each June 30th thereafter during the term of this Resolution.

(c) Commencing with the payment due on June 30, 2014, and each June 30th thereafter during the term of this Resolution, the amount of the fee payable under Paragraph (b) of this Section shall be adjusted by the percentage increase, if any, in the Consumer Price Index ("CPI") published by the United States Department of Labor, Bureau of Labor Statistics, for Urban Wage Earners and Clerical Workers, All Items, published nearest to June 30th as compared with the CPI published nearest to June 30th of the immediately preceding year.

2. The annual business license fee for recycle establishments recycling more than 500,000 tons of material in the City during any single calendar year shall be Three Million Dollars (\$3,000,000), payable in two installments of One Million Five Hundred

Thousand Dollars (\$1,500,000) each, due on each June 30th and December 31st during the term of this Resolution. Such amount shall be subject to annual adjustments in accordance with Section 5.20.100(c) of the Brisbane Municipal Code.

3. This Resolution shall automatically expire at the end of the City's fiscal year on June 30, 2016.

Cliff, Lentz, Mayor

I hereby certify that the foregoing Resolution No. 2012-36 was duly and regularly adopted at the regular meeting of the Brisbane City Council on October 15, 2012, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Sheri Marie Spediacci, City Clerk