

# Staff Report



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To	<b>Committee of the Whole</b>
Service Area	Infrastructure, Development and Environment
Date	Wednesday, September 4, 2024
Subject	<b>Downtown Collection Area Update</b>

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## Recommendation

1. That an enhanced level of service for waste collection in the Downtown Collection Area be approved, inclusive of enhanced public space containers and communal underground waste containers subject to the project budget, estimated at \$1.0 million, and associated operating budget increase of \$410,000, being adopted through the 2025 budget confirmation as outlined in report IDE 2024-350, dated September 4, 2024.
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## Executive Summary

### Purpose of Report

The purpose of this report is to seek Council direction concerning solid waste management improvements and associated capital investments within the Downtown Collection Area. This report should be considered in conjunction with the following reports:

- Solid Waste Resources Recycling Program Transition Value for Money Audit
- Downtown Infrastructure Renewal Program – Streetscaping Level-of-Service and Construction Mitigation
- Improving Access to Public Washrooms in Guelph
- Downtown Guelph Heritage Conservation District Study

These reports outline key elements of the Downtown Renewal Program, a comprehensive vision to transform how Downtown Guelph looks, feels, and functions, while also preserving its unique cultural heritage.

### Key Findings

- The Downtown Collection Area experiences an infrastructure gap that creates barriers to reaching the City’s streetscape, sanitation, and waste reduction/diversion objectives within the contexts of the Solid Waste Management Master Plan and Downtown Infrastructure Renewal Program (DTIRP).
- The Solid Waste Management Master Plan recommends litter containers be designated for use by pedestrians only, and the City’s existing, end-of-life litter containers be replaced with new containers that meet current waste management best practices. Where possible, communal underground containers in conjunction with dedicated street level litter containers are the preferred solution to service properties and pedestrian traffic, respectively. Continuing and

enhancing the existing automated cart collection program is the alternate approach in locations where this is not possible, and as an interim measure during DTIRP construction.

- Fully implemented, the preferred system may include approximately 20 clusters of three communal underground containers to service properties and 50 three-stream sorting stations as new litter containers in the Downtown, with exact numbers to be determined as DTIRP work progresses.
- Waste management infrastructure could be maintained at status quo post DTIRP construction, however the current challenges related to full and overflowing waste containers, accessibility challenges related to containers and litter crowding pedestrian rights-of-way, poor waste diversion, odour, pests, and complaints of poor aesthetics would remain.
- Over the DTIRP 10-year planning horizon the total estimated capital cost is \$1,020,000. The additional corresponding operating investment is estimated at \$41,000 per annum on average, with an overall operating increase of \$410,000 at the end of the 10-year period. The operating forecast does not include potential efficiencies that may be made as scale increases.

### **Strategic Plan Alignment**

This report supports the Environment theme by implementing waste management systems that improve the local environment through reducing litter, odour, and pests and have positive lifecycle impacts through waste reduction and diversion.

This report supports Objective 4, Maintain the City's healthy financial position within the Foundations theme by exploring user fees to reduce impacts to property taxes.

This report supports Objective 12, Make downtown a vibrant place for everyone within the People and Economy theme by providing guidance on how to best prepare Downtown Guelph to manage waste for the coming decades within the context of the overall DTIRP.

### **Future Guelph Theme**

People and Economy

### **Future Guelph Objectives**

People and Economy: Make downtown a vibrant place for everyone

### **Financial Implications**

The 10 multi-year capital budget is \$1,020,000 consisting of:

- \$265,000 in capital for litter containers and,
- \$755,000 in capital for an underground communal container system.

The associated increase in estimated operating costs is \$410,000 at full implementation, with new investment starting in approximately 2028. Operational impacts will be phased in as part of successive budget review cycles over the implementation period.

This investment is subject to being adopted through the 10-year capital budget and forecast as part of the 2025 budget confirmation. Pending Council decision on this report, Staff will work in consultation with the mayor to accommodate this service enhancement within the budget.

# Report

## Background

The City provides an elevated level of service for waste collection within the Downtown Collection Area, which includes Monday to Saturday curbside collection of carts and shared litter containers used by residential, commercial, institutional, and mixed-use properties and pedestrians. Due to outdoor and indoor storage space limitations for carts, approximately 55 per cent of customers rely exclusively on litter containers to manage their waste, while a further 20 per cent partially rely on litter containers. Due to the reliance on shared litter containers, the Downtown Collection Area experiences issues of full and overflowing waste containers, accessibility challenges related to containers and litter crowding pedestrian rights-of-way, poor waste diversion, odour, pests, and complaints of poor aesthetics. The Downtown Infrastructure Renewal Program (DTIRP) is an opportunity to install updated solid waste management infrastructure suitable to the needs and constraints of the Downtown Collection Area.

## Solid Waste Management Master Plan and Downtown Waste Project

In response to issues with waste in the Downtown, the City undertook a review of the Downtown in the 2021 Solid Waste Management Master Plan [Downtown Service Review](#) and made the following two recommendations:

1. "Conduct further engagement, as part of the Downtown Infrastructure [Renewal] Program, for a potential pilot project where participating businesses and residents receive daily door-to-door collection system that will move materials to a central collection area for pick-up. Pilot door-to door collection and use information to explore enforcement measures and alternative funding models."
2. "Permit the use of [litter containers] for pedestrians only. Consolidate [litter containers] and strategically place in permanent locations with colour coding to help reduce contamination and improve the quality/quantity of recyclable materials captured."

The Downtown Waste Project was initiated in fall of 2022 to further study implementation of the Downtown Service Review. Public engagement included a Working Group consisting of Downtown residents, businesses, and service operators as well as impacted City staff, a door knocking campaign, an online survey, and interactive pop-up installation Downtown in the summer of 2023.

## Serving Properties

Through the Downtown Waste Project's engagement and analysis, an underground communal container system was determined to be the preferred concept to collect waste from properties. It best met the technical criteria by creating more storage volume without dominating the street level right-of-way. It also had clear public support, leading on all measures surveyed. Attachment-1 Supplemental Information provides more detail on the other options studied, including an enhanced cart-based collection program which may be applied where an underground communal container system is not feasible or is yet to be constructed.

## Serving Downtown Guelph's Public Spaces

Complementing the above approach to service properties are changes to litter containers. The current litter container inventory is over 10 years old making now an opportune time to phase in litter containers better suited to the City's strategic goals in the Downtown. Litter containers recommended in the Solid Waste Management Master Plan:

- Use small openings to encourage use by pedestrians only,
- Are lockable to prevent unauthorized access to the main body of the container,
- Are installed in semi-permanent locations where all three streams are available,
- Have clearer identification through opening shapes, colour, and signage, and
- Have aesthetics matching other street furniture.

## Conceptual Design, Cost Estimate, and Implementation Sequence

### Conceptual Design

A system using 20 clusters of three communal underground containers and 50, three-stream sorting stations for litter containers is assumed for the purposes of this report. This number of containers is intended to achieve the minimum recommended spacing for user convenience, create storage volume to effectively serve the amounts and types of waste expected to be generated in the Downtown Collection Area, and preserve adequate space for other right-of-way uses supporting the overall Downtown Renewal Program.

### Cost Estimate

The capital and operating costs associated with this design concept are summarized in Table 1 below. No further capital costs for new trucks to service either litter containers or underground bins are required; a mix of existing vehicles and contracted collection is assumed and reflected in the operation and maintenance cost. Costs for three-stream collection (garbage, organics, and recycling) are included in the operating and maintenance costs.

**Table 1: Summary of 2025 10 multi-year budget for Downtown Collection Area enhancements**

<b>Item</b>	<b>Capital Cost</b>	<b>Operation and Maintenance Cost</b>
Litter containers	\$265,000	\$210,000
Underground communal containers	\$755,000	\$200,000
<b>10 Multi-Year Budget Total</b>	<b>\$1,020,000</b>	<b>\$410,000</b>

### Business Case

It will take several years for the proposed system to reach scale and achieve potential savings from efficiencies. During implementation, there will be a cost premium as described in Table 1 above. The proposed improvements support the larger objectives in the Downtown area, facilitating growth, better environmental

performance, and the overall business case for the Downtown public realm. Over time, savings may be realized through enhanced waste reduction and diversion and better economies of scale.

The Solid Waste Resources Recycling Program Transition Value for Money Audit recommends studying a user fee program to fund Downtown commercial and institutional waste collection, including recyclables, working toward implementation by 2026. Subject to Council endorsement, staff plan to conduct further community engagement to determine the interest in a user fee program and to develop details related to the administration and operation of a program, and potential of revenues to support the business case.

### **Implementation Sequence**

The exact timing of the above budget increases depends on the timing of the DTIRP construction which will be detailed in the previously mentioned Downtown Infrastructure Renewal Program – Streetscaping Level-of-Service and Construction Mitigation report. Costs by DTIRP phase are summarized in Table 2 in Attachment-1 Supplemental Information. Underground communal container construction would be included within the scope of DTIRP work as feasible to allow for efficient design and construction. City staff will work with the community to minimize impacts during construction. There would be an opportunity to evaluate the ability of new infrastructure to serve a geographically expanded Downtown Collection Area during the user fee study and DTIRP design.

### **Blue Box Transition Implications**

As reported in [Staff Report Blue Box Transition Update 2022-290](#) and [Information Report Blue Box Transition Status Update 2024-74](#), Ontario's new producer responsibility model is transitioning recycling collection for residential units, schools, non-profit long-term care and retirement homes, and some public spaces (eligible sources) away from municipalities to be managed by Circular Materials, a new not-for-profit organization representing producers of blue box materials. Other industrial, commercial, and institutional sector organizations are considered non-eligible sources and will not be managed in the new provincial system.

For Guelph, Blue Box transition occurs January 1, 2025, when eligible sources that are already collected by the City will begin to be collected through Circular Materials. The Downtown Collection Area currently produces approximately 320 tonnes per year of recyclables. Of this, only the eligible residential and public space portions are designated to be managed by Circular Materials. For the purposes of infrastructure planning, this report assumes infrastructure to support three-stream waste collection is planned for (i.e., three-stream sorting at both litter containers and underground communal container clusters). Specific options to fund capital, operation, and maintenance of each part of the system require further discussion and potential funding models will be developed as part of the proposed user fee study.

### **Financial Implications**

The cost of implementing the preferred solution, including 20 clusters of three communal underground containers and 50 three-stream sorting stations, is estimated at \$1,020,000 in capital costs over the DTIRP implementation period, plus \$410,000 in additional operating costs by full implementation.

The \$1,020,000 in budgeted costs for the capital program over the 10 multi-year capital budget will result in using funding from the Service Enhancement reserve fund, which is a tax levy supported reserve fund.

Through the [2024-2027 Multi-Year Budget Companion Report – Council Budget Decisions, 2023-370](#), Council acknowledged that the 10-year capital budget was not fully balanced, and staff were “directed to balance the capital budget and forecast within available funding and report back to Council on the changes required through the 2025 budget confirmation.” To balance the capital budget and forecast within available capital revenues, there is already significant capital project prioritization and deferral occurring. To accommodate this additional \$1,020,000 within the directed budget funding envelope will likely require further project deferrals. Staff are working in consultation with the Mayor through this work which will be presented as part of the 2025 Budget Confirmation.

## **Consultations and Engagement**

Staff consulted internally and externally during the preparation of this report.

For the Downtown Waste Project, a Downtown Waste Working Group, consisting of members representing residents, businesses, and community services, met from May to September 2023 to review past studies, develop criteria, and select design concepts to be used for public engagement. Staff extend their thanks to the public and internal members of this group for their participation. Dillon Consulting authored the Solid Waste Management Master Plan, participated in the Downtown Waste Working Group, and provided ongoing support during the development of the Downtown Waste Design Guideline.

Presentations were also made to the City’s Downtown Coordination Group, the Downtown Guelph Business Association, and Guelph Public Library. Public engagement on shortlisted design concepts was completed in July and August of 2023 and included a door knocking campaign, social media posts, pop-up engagement events Downtown, and an online survey on Have Your Say. Announcements will continue to be published on the [Downtown waste collection page](#), the [Downtown Waste Project Have Your Say site](#), and through public notices as required.

This report was developed in consultation with the Internal Audit Department and their Solid Waste Resources Recycling Program Transition Value for Money Audit.

## **Attachments**

Attachment-1 Supplemental Information

## **Departmental Approval**

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