

Council Communication

February 2, 2016, Business Meeting

Plastic Bag Ban – One Year Review

FROM:

Adam Hanks, Management Analyst, Administration – adam@ashland.or.us

SUMMARY

Council adopted an ordinance regulating the use of plastic bags in November 2014. A one-year review by Council was specified in the ordinance. The review provides the Council with an opportunity to evaluate the initial success of the ordinance, address issues from the public and determine whether alterations may be beneficial or if the ordinance is working as intended.

BACKGROUND AND POLICY IMPLICATIONS:

In response to an advocacy group request in 2013 for the City of Ashland to implement a plastic bag ban ordinance, the City Council requested that the Conservation Commission research and make a recommendation on the merits and mechanics of such an ordinance.

The Conservation Commission spent several months reviewing other ordinances in Oregon and beyond and provided the Council with a recommendation on November 18, 2013, to develop an ordinance generally consistent with what had been recently implemented in the City of Eugene.

The ordinance brought forward to the Council in April 2014 for deliberation and approval contained key definitions, a ban on single use plastic bags, a requirement for the use of recycled content paper bags, and a 25-cent fee charged to customers for the use of paper bags with an exemption for certain low income categories. The ordinance also included a delayed implementation date to provide approximately six months for the business community to prepare for the required changes.

Through testimony from the Conservation Commission as well as the community, the Council amended the proposed ordinance, reducing the paper bag fee from 25 cents to 10 cents and approved the ordinance with a 4-3 vote.

Implementation

In preparation for the implementation date of November 6, 2014, City staff and members of the Conservation Commission conducted a variety of outreach efforts to ensure that the business community was aware of the upcoming regulations. This included:

- Video interviews with local TV media
- Commentary article in local print news media (Mail Tribune, Daily Tidings, Sneak Preview)
- Paid advertising in the Sneak Preview
- Live radio interview on Jefferson Exchange



- City website page devoted to the topic with both customer and retailer FAQ's, PDF posters for business use, info on free bag program for low income residents, educational material, policy and process background materials (including full ordinance)
- City Facebook and Twitter posting
- Communication with Chamber of Commerce for member distribution
- Site visits with several grocers and any retailers that inquired

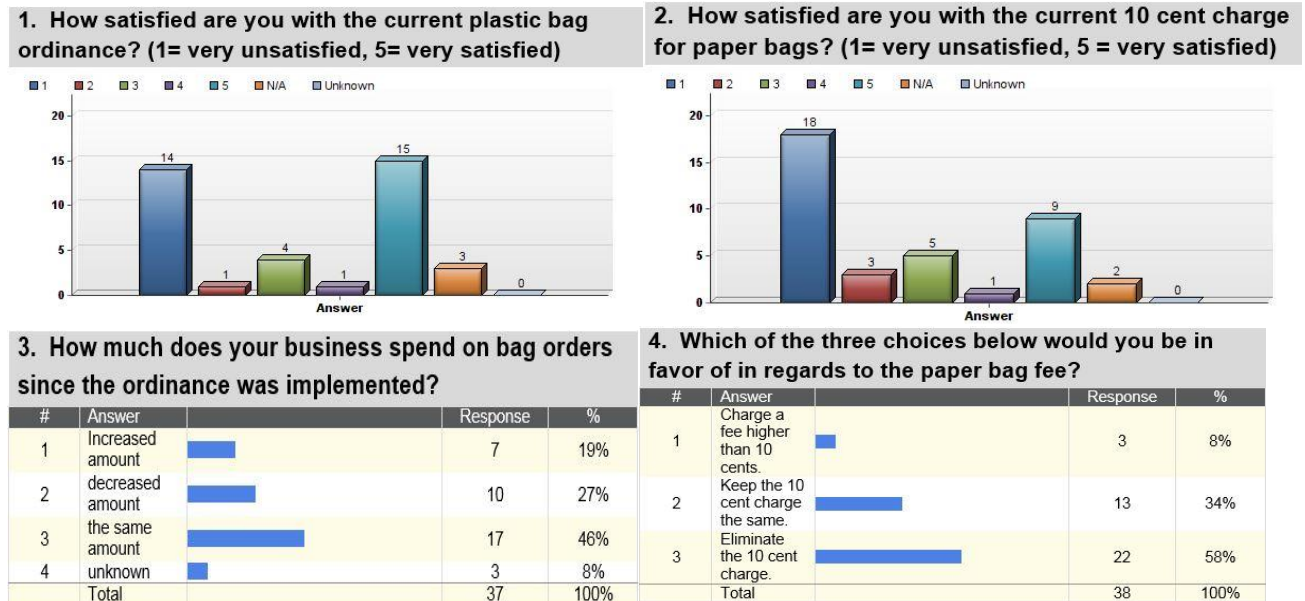
One Year Review

To assist the Council in its one-year review, City staff attempted to collect feedback from the three primary groups impacted by the ordinance; retailers, grocers and customers.

For the retailer group, City staff partnered with the Southern Oregon University Applied Business Research Class, under the direction of Professor Donna Lane, Ph. D, to conduct a retail business survey. The survey was sent to all businesses located in Ashland categorized as retail businesses in the City's business license database, which totaled 181.

Thirty-nine responses were received and the results tabulated by the SOU student research staff and summarized in a final report for the Council's review and consideration. The SOU team, as part of their class curriculum and beyond the scope of the City's request, also conducted some research and review of related literature and other similar ordinances in select communities in Oregon, Washington and California and provided an economic analysis section with conclusions and recommendations based on their review of the survey responses, including potential options to address some of the issues raised in the survey.

SOU Retail Business Survey Results (complete report link at end of document)



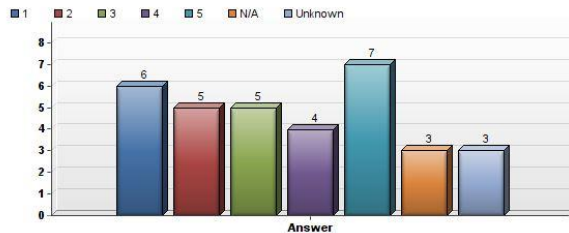
5. What impact has the plastic bag ordinance had on your sales?

#	Answer	Response	%
1	Increase in sales	1	3%
2	Decrease in sales	2	5%
3	No impact on sales	29	76%
4	Unknown	6	16%
Total		38	100%

6. What impact has the plastic bag ordinance had on your paper bag usage?

#	Answer	Response	%
1	Increase in paper bag usage	6	16%
2	Decrease in paper bag usage	16	42%
3	No change in paper bag usage	15	39%
4	Unknown	1	3%
Total		38	100%

7. If you had to make an assumption, how satisfied are your customers with the current plastic bag ordinance? (1= very unsatisfied, 5 = very satisfied)



Grocer Feedback

City staff attempted to obtain feedback directly from the grocers, as their businesses typically involve higher numbers of product sales per transaction, increasing the likelihood of customers requiring bags to carry purchases out of the store. Three respondents were obtained from the six that were personally visited by staff. All three responses indicated a significant reduction in paper bag purchases and use, indicating the ten cent fee achieved its purpose of assisting to transition customers to reusable bags. All three respondents also indicated an initial increase in sales of reusable bags, but that number has tapered back over time.

Customer/Resident Feedback

City staff posted a survey similar to the retail business survey on the Open City Hall City website tool to solicit feedback from the community. Summarized responses from the 49 that submitted responses and comments are provided below.

- How satisfied are you with the current plastic bag ordinance? (1= Very unsatisfied, 5= Very satisfied)

Average = 4.37

- How satisfied are you with the current 10 cent charge for paper bags? (1= Very unsatisfied, 5= Very satisfied)

Average = 3.98

- Which of the three choices below would you be in favor of in regards to the paper bag fee?

Charge a fee higher than 10 cents = **22.9%**
 Keep the ten cent charge the same = **54.2%**
 Eliminate the ten cent fee = **22.9%**



- 4) The goal of the program was to eliminate single use plastic bags and encourage customers to bring in their own bags. Which one of the following statements seems most accurate as you observe fellow customers shopping in Ashland?

More people are bringing their own bags	= 70.2%
More people are carrying items out of the store without bags	= 19.1%
More people are buying paper bags	= 4.3%

45 of the 49 responders to the Open City Hall survey also submitted open ended comments about the plastic bag ordinance. A link to the full report and comments is provided in the attachments section.

Ongoing Education and Outreach

City staff have been in regular communication with the Chamber of Commerce and inquiring businesses to attempt to address issues relating to the implementation of the ordinance. This effort included an update to the original informational signage that was provided at the initial implementation.

The original materials were adapted from materials used in Eugene and may not have fit the needs of the non-grocery retail business sector. The new materials are currently available for distribution as small postcard signs and A-frame self-supporting signs for payment counters to assist businesses in communicating the ordinance requirements to their customers.

COUNCIL GOALS SUPPORTED:

29. Promote conservation as a long-term strategy to protect the environment and public utility needs (waste prevention and reduction specifically)

FISCAL IMPLICATIONS:

Ongoing program costs to the City include occasional staff time in Administration for questions regarding the implementation of the ordinance, development and distribution of outreach/educational materials along with limited expenses for graphic design and printing of materials.

STAFF RECOMMENDATION AND REQUESTED ACTION:

Staff has no specific recommendations, however, the plastic bag ban one year review was an item on a recent Conservation Commission meeting agenda that resulted in a formal recommendation from the Commission to the Council.

After discussion of the potential merits of an increase of the paper bag fee from 10 cents to 25 cents as originally recommended, the Commission voted to recommend leaving the fee at 10 cents and recommend to Council that code compliance efforts relating to the bag ban and specifically the requirements for businesses to collect the 10 cent fee be of higher priority in the coming months.

SUGGESTED MOTION:

N/A

ATTACHMENTS:

Bring Your Own Bag (BYOB) Council Meeting Packet Materials – April 15, 2014



Links

- 1) Retail Business Survey - SOU Applied Business Research Team – Fall 2015
http://www.ashland.or.us/files/BagBan_RetailSurvey_SOU.pdf
- 2) Community Survey Response Report - Open City Hall – Dec/Jan 2016
www.ashland.or.us/files/OpenCityHall_BagBan.pdf
- 3) Complete BYOB Process History
www.ashland.or.us/files/BYOB_Council.pdf



Council Communication

April 15, 2014, Business Meeting

Bring Your Own Bag (BYOB) **An Ordinance prohibiting the distribution of certain single use plastic bags**

FROM:

Adam Hanks, Management Analyst, adam@ashland.or.us

SUMMARY

Per Council direction from its November 18, 2013 Study Session, a draft ordinance has been developed for Council consideration that would prohibit the distribution of single use plastic bags by retail businesses in Ashland and require the distribution of paper bags to contain a minimum recycled content. A fee is also proposed to be imposed for the distribution of paper bags as a behavioral “nudge” for customers to “Bring Your Own Bag” (BYOB).

The ordinance is drafted with a proposed six month delay in the enforcement of the code to provide businesses with adequate time to deplete existing plastic and non qualifying paper bag stocks and to develop alternative business practices that meet or exceed the ordinance.

BACKGROUND AND POLICY IMPLICATIONS:

At Council’s request, the Conservation Commission completed a review of the request for Ashland to create regulations banning the use of single use plastic bags. The memo from the Commission provided to Council at the November 18, 2013 Study Session (attached) summarizes the research and deliberations by the Commission and recommended that Council move forward in the development of an ordinance regulating the allowable uses of single use plastic bags in conjunction with a strong educational outreach program with the objective of significantly reducing the volume of single use plastic bags entering the waste stream and negatively impacting the environment.

History

The issue of banning or otherwise regulating single use plastic bags has come before many Oregon cities in the past with varying regulatory strategies and implementation success. Concerns were raised by the grocery and retail business groups regarding the difficulties of operating businesses throughout Oregon if each City had its own set of regulations and restrictions for the use of single use plastic bags. In both 2010 and 2011, Senate Bills were introduced (SB 1009 in 2010 and SB 536 in 2011) that would create statewide regulations for single use plastic bags. Neither bill was ultimately approved into law so many individual municipalities restarted community dialogues on local regulations.

Conservation Commission Review and Recommendation

Upon its referral to the Conservation Commission, the Commission established a sub-committee to focus their research efforts and draft recommendations. The research included similar ordinance development processes for the regulation of single use plastic bags in other municipalities in Oregon with a focus on the recently enacted ordinance and program in the City of Eugene.



The Commission recognized regulations on the distribution of carry out bags from retail businesses is a very focused item to address, but the consensus of the Commission was that single use plastic bags function as a very visible symbol of a short-term convenience based, disposable item that almost immediately becomes a part of the waste stream. To compound the matter, single use plastic bags are often cited by the recycling industry as particularly problematic as they jam the materials sorting machines at regional recycling facilities.

Aside from the tangible benefits of phasing out the use of this specific product, the regulation can function as a community awareness tool promoting the use of reusable products in the daily lives of Ashland residents and could also function as a launching pad for the development of a more comprehensive local waste prevention and reduction strategy that aligns with the regional watershed and state waste prevention and reduction strategies, as is being discussed by the recently appointed Ad-Hoc Recycle Center Committee.

The draft ordinance contains the code elements suggested by the Commission. Additionally, as noted by the Council and agreed upon by the Commission, a strong education/outreach element is a vital component to the success of the proposed regulation. The sub-committee has developed an education/outreach outline and continues to work with staff to identify, define and implement the specific materials, actions and activities in the six months between Council approval of the ordinance and the code enactment date.

Policy Objective

The objective of the ordinance and corresponding education and outreach is to substantially reduce the volume of end user consumption of single use plastic carry out bags and transition to the use of reusable bags as the standard practice. The Commission recommends the adoption of a 25 cent customer fee for the distribution and use of a recyclable paper bag to promote behavior modification towards the use of customer provided reusable bags rather than just a movement from single use plastic bags to paper bags that, while somewhat reusable, most often aren't and have their own set of environmental issues.

Key Regulatory Elements

- 1) Definition of a **carryout bag** – Key in understanding the threshold of what is and isn't regulated by the draft ordinance
- 2) Definition of a **Recyclable paper bag** – If retailers want to continue providing paper bags, the paper bags need to meet this minimum specification
- 3) Definition of **single use plastic carry out bag** – This defines what will be prohibited from distributing to customer at point of sale (note the use of the term carry out in this definition to again reiterate the threshold of what types of bags are and aren't regulated by this ordinance)
- 4) **Cost pass through** – This requires that retailers charge a fee whenever they provide a recyclable paper bag to the customer.
- 5) **Administrative exemption** – Allows a business to apply for a one time exemption of up to one year based on an undue hardship or practical difficulty.
- 6) **Effective date of ordinance** – The ordinance will be in effect six months after the ordinance is approved and signed.



Ordinance Impacts

Retail Business

Pro

- Cost savings from elimination of single use plastic bag inventory
- Revenue stream to offset increased per bag cost to meet minimum recycled content specifications for paper bags *
- Additional promotional opportunities and revenue from reusable bag sales
- Level playing field - All retail businesses operating under the same rules/standards for point of sale bags

Con

- Additional communication and time required of staff to explain the rules/standards
- Potential point of sale software programming costs to address cost pass through fee for paper bags
- Record keeping maintenance costs associated with the cost pass through fee

*The Commission proposes that the funds collected from customer fees for paper bag use be retained by the retailer to off-set the costs of providing the more expensive paper bags rather than the less expensive plastic bags that would no longer be allowed. A key objective of the program is to reduce the use of single use bags regardless of their type so it is anticipated that over time, the revenue off-set created by the paper bag fee would decline over time.

Customers/End users

Pro

- Elimination of a potential source of waste or recycle material to store/dispose of

Con

- Fee charged for forgetting to bring your own bag
- Initial cost to purchase needed inventory of reusable bags

FISCAL IMPLICATIONS:

City Program Costs

Initial program costs will include staff time for initial education/outreach efforts to local retailers. This would include development of program FAQ's, poster/display templates for businesses to utilize in their customer communication efforts to be distributed from the City's website and also as part of on-site business visits and several scheduled business centric informational sessions. The City of Eugene has offered the free use of their program material templates with approval to modify as desired, lowering costs and leveraging an already in place and successful campaign.

Additionally, to emphasize the Commission's desire for the program to be a Bring Your Own Bag (BYOB) ordinance rather than a plastic bag ban, an element of the education/outreach includes the creation of BYOB program branded reusable bags. The bags would provide another outlet for education/outreach and also be made available for free for qualifying residents to mitigate the impacts of the ordinance on lower income shoppers in the community. The Commission has been developing and evaluating different models for partnership/sponsorship of the costs involved with the bag purchase, branding graphics and distribution and has indicated their desire to remain involved in bring the concept to fruition.



Modifying existing City of Eugene program materials and using electronic files for download from the City website significantly reduce program operating costs, estimated at \$1,000 or less. The variable program cost is dependent on the final solution for the community oriented BYOB reusable bag concept. Partnering opportunities that incorporate the ability for business promotions and advertising could address the entire hard cost associated with the bag purchase and graphics and could reduce city costs to staff time for coordination of partners and communication efforts regarding the BYOB distribution.

STAFF RECOMMENDATION AND REQUESTED ACTION:

Given that many of Ashland's larger grocery outlets have already proactively moved away from the use of single use plastic bags and have also transitioned to recycled content paper bags, the proposed ordinance concept has actually been tested and accepted within the community. Staff recommends that Council adopt the ordinance with any needed adjustments and direct staff to begin the outreach efforts to the business community to ensure a successful implementation.

SUGGESTED MOTION:

1. I move first reading by title only of an ordinance adopting a prohibition on the distribution of single use plastic bags.
2. I further move to direct staff to begin appropriate education and outreach efforts to both the business community and residents.

ATTACHMENTS:

Draft Ordinance – Prohibition on the Distribution of Single Use Plastic Bags
Conservation Commission BYOB Recommendation Memo – 10/23/13
BYOB Ordinance Work plan and Timeline
City of Eugene – Sample Educational Materials

LINKS:

November 18, 2013 Council Study Session Minutes
<http://ashland.or.us/Agendas.asp?Display=Minutes&AMID=5506>

November 18, 2013 Council Study Session Meeting Packet
<http://www.ashland.or.us/Page.asp?NavID=15930>

Open City Hall Public Comments
http://www.ashland.or.us/Page.asp?NavID=13461#peak_democracy

Note: Complete report of comments to be provided to Council at meeting

